



China Ruifeng Renewable Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00527)

2024

INTERIM REPORT



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COMPANY INFORMATION

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited
Stock Code: 00527

EXECUTIVE DIRECTORS

Mr. Yuan Wanyong (*Chairman*)
Mr. Zhang Zhixiang (*Chief Executive Officer*)
Mr. Ning Zhongzhi

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qu Weidong
Ms. Hu Xiaolin
Mr. Jiang Senlin

AUDIT COMMITTEE

Mr. Jiang Senlin (*chairman of the Audit Committee*)
Mr. Qu Weidong
Ms. Hu Xiaolin

REMUNERATION COMMITTEE

Ms. Hu Xiaolin (*chairman of the Remuneration Committee*)
Mr. Zhang Zhixiang
Mr. Qu Weidong
Mr. Jiang Senlin

NOMINATION COMMITTEE

Mr. Qu Weidong (*chairman of the Nomination Committee*)
Mr. Zhang Zhixiang
Ms. Hu Xiaolin
Mr. Jiang Senlin

COMPANY SECRETARY

Ms. Wong Yuk Ki

COMPANY INFORMATION

AUTHORISED REPRESENTATIVES

Mr. Zhang Zhixiang

Ms. Wong Yuk Ki

PRINCIPAL BANKERS

In Hong Kong:

Bank of China (Hong Kong) Limited

China Minsheng Banking Corporation Limited, Hong Kong Branch

China Construction Bank (Asia) Corporation Limited

Chong Hing Bank Limited

Hang Seng Bank Limited

The Bank of East Asia Limited

In the People's Republic of China (the "PRC"):

Bank of China Limited

Agricultural Development Bank of China

Industrial and Commercial Bank of China Limited

Bank of Chengde Company Limited

China Construction Bank Corporation

Bank of Hebei Company Limited

REGISTERED OFFICE

Windward 3, Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2801–2804, 28/F

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Hong Kong

COMPANY WEBSITE

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COMPANY INFORMATION

AUDITORS

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Certified Public Accountants
Public Interest Entity Auditor
Room 2001-02, 20/F, Podium Plaza
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Tsim Sha Tsui
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

SUMMARY OF FINANCIAL RESULTS

Below is a summary of the unaudited condensed consolidated financial results of China Ruifeng Renewable Energy Holdings Limited for the six months ended 30 June 2024 together with the comparative figures of the corresponding period in 2023:

	For the six months ended 30 June			Approximate change in percentage %
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	Approximate change RMB'000	
Revenue	173,602	190,165	16,563	9
Gross profit	64,580	70,228	5,648	8
Profit from operations	56,385	64,711	8,326	13
Loss before taxation	(7,398)	(7,991)	593	7
Loss for the period	(21,844)	(21,080)	764	4
Attributable to:				
Equity shareholders of the Company	(36,818)	(29,431)	7,387	25
Non-controlling interests	14,974	8,351	6,623	79
Loss for the period	(21,844)	(21,080)	764	4
		As at 30 June 2024 (unaudited)	As at 31 December 2023 (audited)	
Net debt (RMB'000) (note)		(1,226,334)	(1,134,023)	
Net assets (RMB'000)		168,288	211,988	
Liquidity ratio		111%	222%	
Trade receivables turnover (number of days)		224	177	
Trade payables turnover (number of days)		30	34	
Net debt to equity ratio		713%	535%	

Note:

Net debt: Cash and cash equivalents less borrowings.



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of China Ruifeng Renewable Energy Holdings Limited (the “**Company**”, together with its subsidiaries referred to as the “**Group**”), I hereby present to the shareholders of the Company (the “**Shareholders**”) the results of the Group for the six months ended 30 June 2024 (the “**Reporting Period**”).

As a renewable energy enterprise specialised in wind power development and operation, during the first half of 2024, the Group is principally engaged in the business of wind farms operation and is continuing to search for investment opportunities in the energy sectors.

As the requirements on environmental and ecological protection become more stringent, China's clean energy consumption gains importance, the wind power and other new energy industries as the nation's seven strategic new industries will get more policy support after the 14th Five-year Plan takes the stage. China has been recognised as having the largest hydropower, wind power and solar power in terms of installed capacity in the world. In the face of the new circumstances and in the effort to capture the opportunities of the government's policy reforms, the Company will improve its development quality and efficiency to become a world-class renewable energy enterprise characterised by a large scale, high market share, great contribution to the society, strong profitability, solid competitiveness, and sound sustainability, with the objective of bringing continuous, stable and substantial returns to the Shareholders.

CHAIRMAN'S STATEMENT

As the PRC government pointed out that it was vital for the energy structure to be optimised and adjusted as the transformation of energy development has reached the crucial strategic stage, the wind power industry which spearheads the renewable energy industry is bound to receive an increasing attention. In September 2020, the PRC government proposed the goals of achieving peak carbon emissions and carbon neutrality at the 75th United Nations General Assembly for the first time. It also listed “achieving peak carbon emissions and carbon neutrality” as one of its key tasks in 2021 at its Central Economic Work Conference 2020. To adjust the energy structure and achieve the established targets of the proportion of non-fossil fuel, wind power will inevitably become one of the main energy substitutes and the main contributors to the increase in installed capacity of China.

In the future, the Group will consolidate its resources and continue to accelerate the development in wind power business. By fully leveraging the Group's wind farms, the Group will actively seek for development opportunities and strive for a solid foothold in the renewable energy industry in the near future.

On behalf of the Board, I would like to express my gratitude to the Shareholders, investors and business partners for their continuing care of and support to the Group. I would also like to thank the management team and all the staff for their contributions and dedications to the development of the Group. The Group is committed to bringing better returns to the Shareholders and investors through sound and pragmatic development strategies.

Yuan Wanyong

Chairman

Hong Kong, 30 August 2024

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Wind farm operations

For the six months ended 30 June 2024, the revenue from the wind farm operations amounted to approximately RMB171,128,000 (six months ended 30 June 2023: approximately RMB190,165,000), representing a decrease of approximately 10% from that of six months ended 30 June 2023.

Hongsong's wind farm projects

The construction of the Phase 9 Project — The Yuanhui Project of Hebei Hongsong Wind Power Co., Ltd.* ("**Hongsong**") was completed in December 2013. Hongsong currently has an installed capacity of 398.4 MW, and its wind farm operated in a steady and stable status in 2024 which made primarily contribution to the Group's revenue for the six months ended 30 June 2024. The average utilisation hours of the Company's Hongsong wind farm in Hebei Province for the periods ended 30 June 2024 and 30 June 2023 were approximately 969 hours and 1,063 hours, respectively.

Baotou Yinfeng's wind farm projects

Baotou City Yingfeng Huili New Energy Investment Limited* ("**Baotou Yinfeng**") is a subsidiary of the Company, which possesses a wind farm in Baotou City of Inner Mongolia with the 49.8 MW of the Phase 1 Project. In October 2015, Baotou Yinfeng received the relevant project approval from Baotou City's government for its Phase 1 Project. Baotou Yinfeng Phase 1 Project is currently under construction and is expected to contribute to the Group's future revenue from the operation of wind farm.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the Reporting Period, the Group was principally engaged in wind farms operation through its subsidiary, namely Hongsong.

For the Reporting Period, the Group's revenue amounted to approximately RMB173,602,000 (for the six months ended 30 June 2023: approximately RMB190,165,000). Gross profit decreased by approximately 8% to approximately RMB64,580,000 for the Reporting Period (for the six months ended 30 June 2023: approximately RMB70,228,000). The loss for the Reporting Period was approximately RMB21,844,000 (for the six months ended 30 June 2023: loss of approximately RMB21,080,000). The loss position for the Reporting Period was primarily attributable to the decrease in volume of electricity generated as well as the sales of electricity.

Revenue

During the Reporting Period, the Group's revenue was mainly derived from the business of wind power generation of Hongsong and sales of petroleum coke. The Group's operating bases for the business of wind power generation are mainly located in Chengde City of Hebei Province and Inner Mongolia Autonomous Region in the PRC.

Revenue from wind farms operation for the Reporting Period was approximately RMB171,128,000, representing a decrease of approximately 10% as compared with approximately RMB190,165,000 of the corresponding period of 2023. The decrease was mainly due to the decrease in volume of electricity generated as well as the sales of electricity.

Revenue from sales of petroleum coke for the Reporting Period was approximately RMB2,474,000 (for the six months ended 30 June 2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

Cost of sales mainly included the cost of raw materials, staff costs, depreciation, water, electricity, gas and other ancillary materials. Cost of sales for the Reporting Period was approximately RMB109,022,000 (for the six months ended 30 June 2023: approximately RMB119,937,000), representing approximately 63% of the Group's revenue, as compared to approximately 63% for the corresponding period of 2023.

Gross Profit

Gross profit for the Reporting Period decreased by approximately 8% to approximately RMB64,580,000 (for the six months ended 30 June 2023: gross profit of approximately RMB70,228,000), which was mainly due to the decrease in volume of electricity generated as well as the sales of electricity.

Other Income and Other (Losses)/Gains, net

Other income and other (losses)/gains, net for the Reporting Period mainly comprised the government subsidy income related to value-added tax refund amounted to approximately RMB9,452,000 (for the six months ended 30 June 2023: approximately RMB9,222,000) and rental income from operating lease of premises amounted to approximately RMB1,562,000 (for the six months ended 30 June 2023: approximately RMB36,000).

Administrative Expenses

Administrative expenses for the Reporting Period mainly included salaries and welfare expenses, professional fees, entertainment expenses, travelling expenses, insurance expenses and other taxation expenses. It increased by approximately 20% to approximately RMB22,469,000 for the Reporting Period when compared with approximately RMB18,700,000 for the corresponding period of 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

Finance costs for the Reporting Period referred to interest expenses of the Group's borrowings including bank loans and other loans obtained, corporate bonds, notes and convertible bonds issued by the Group. It amounted to approximately RMB63,765,000 for the Reporting Period (for the six months ended 30 June 2023: approximately RMB72,376,000). The decrease was mainly due to the decrease in interest expenses incurred for other loans obtained by Hongsong.

Taxation

Taxation increased from approximately RMB13,089,000 for the six months ended 30 June 2023 to approximately RMB14,446,000 for the Reporting Period, which is due to the increase in taxable profits of Hongsong.

Loss for the Reporting Period

The loss for the Reporting Period was approximately RMB21,844,000 (for the six months ended 30 June 2023: loss of approximately RMB21,080,000). The loss position for the Reporting Period was primarily attributable to the decrease in volume of electricity generated as well as the sales of electricity.

Share Capital

As at 30 June 2024, the total number of issued share capital of the Company comprised 1,662,365,223 ordinary shares of HK\$0.05 each (as at 31 December 2023: 1,662,365,223 ordinary shares of HK\$0.05 each). As at the date of this report, the total number of issued share capital of the Company comprised 1,662,365,223 ordinary shares of HK\$0.05 each.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Financial Resources

The cash and bank balances as at 30 June 2024 and 31 December 2023 amounted to approximately RMB244,468,000 (mainly denominated in Renminbi (“**RMB**”) and Hong Kong dollar (“**HK\$**”) of approximately RMB242,608,000 and HK\$2,029,000), and approximately RMB385,512,000, respectively.

Total borrowings of the Group as at 30 June 2024 amounted to approximately RMB1,470,802,000, representing a decrease of approximately RMB48,733,000 when compared with approximately RMB1,519,535,000 as at 31 December 2023. The decrease was mainly due to partial repayment of other loans obtained by Hongsong during the Reporting Period.

The Group repaid its debts mainly through steady recurrent cash-flows generated by its operations. The Group’s gearing ratio as at 30 June 2024 was approximately 90% which was comparable to approximately 89% as at 31 December 2023. That ratio was calculated by dividing the Group’s total liabilities by its total assets. During the Reporting Period, all of the Group’s borrowings were settled in RMB and HK\$ and all of the Group’s income was denominated in RMB. Interest bearing borrowings were approximately RMB1,470,802,000 as at 30 June 2024 (31 December 2023: approximately RMB1,519,535,000). Among the interest bearing borrowings of the Group, approximately RMB533,452,000 were fixed rate loans and approximately RMB937,350,000 were variable rate loans. The Group had not engaged in any hedging facility against interest rate fluctuations for the Reporting Period and up to the date of this report, as the Board considered that the cost of any hedging policy would be higher than the potential risk of the costs being incurred from interest rate fluctuations in individual transactions.

Exposure to fluctuation in exchange rates

The Group has minimal exposure to foreign currency risk as most of its business, transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The management will monitor the Group’s foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise, and appropriate instrument be available.

MANAGEMENT DISCUSSION AND ANALYSIS

Issuance of Corporate Bonds

During the Reporting Period, the Company did not issue additional non-listing corporate bonds (the **“Corporate Bonds”**) to investors. Corporate Bonds with principal amount of HK\$10,406,000 were matured and redeemed during the Reporting Period (30 June 2023: HK\$3,000,000 additional Corporate Bonds were issued, and Corporate Bonds with principal amount of HK\$6,807,000 were matured and redeemed).

As at 30 June 2024 and 31 December 2023, Corporate Bonds with principal amount of approximately HK\$106,010,000 and HK\$116,416,000 had been issued and had not been repaid respectively. For details, please refer to the announcements of the Company dated 10 July 2014 and 28 April 2015.

Extension of Notes (previously known as Convertible Notes)

On 26 May 2016, the Company entered into a placing agreement (the **“Placing Agreement”**) with Get Nice Securities Limited (the **“Placing Agent”**) pursuant to which the Placing Agent has conditionally agreed to procure the placee(s) on a best effort basis during the placing period to subscribe for the convertible notes to be issued by the Company of up to an aggregate principal amount of HK\$171,600,000 due 2017, with the conversion rights to convert the outstanding principal amount of the convertible notes into ordinary shares of the Company at an initial conversion price of HK\$0.65 per conversion share (the **“Convertible Notes”**).

Assuming full conversion of the Convertible Notes, a total of 264,000,000 shares of the Company would be allotted and issued, representing (i) approximately 14.67% of the issued share capital of the Company as at the date of the Placing Agreement; and (ii) approximately 12.80% of the issued share capital of the Company as enlarged by the allotment and issue of the conversion shares upon full conversion of the Convertible Notes.

On 15 June 2016, the Convertible Notes in the aggregate principal amount of HK\$171,600,000 were issued by the Company in accordance with the terms of the Placing Agreement. The net proceeds from the issue of the Convertible Notes, after deducting the Placing Agent's commission and other related expenses payable by the Company, amounted to approximately HK\$167,900,000.

MANAGEMENT DISCUSSION AND ANALYSIS

On 12 December 2017, the Company and all the holders of the Convertible Notes entered into a deed of amendment (the “**Amendment Deed**”) to extend the maturity date of the Convertible Notes from 15 December 2017 to 15 June 2019. Save for the extension of the maturity date, all other terms and conditions of the Convertible Notes remained unchanged. The Amendment Deed has become unconditional on 15 December 2017 upon approval being received from the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

On 22 August 2019, the Company and all the holders of the Convertible Notes entered into second deed of amendment (the “**Second Amendment Deed**”) to (i) further extend the maturity date (as extended by the Amendment Deed) from 15 June 2019 to 15 December 2019; (ii) amend the interest rate of the Convertible Notes from 8% per annum to 10% per annum with effect from 15 June 2019; and (iii) require the Company to pay on the date of the Second Amendment Deed interest accrued and to be accrued from (and including) 15 June 2019 to (but excluding) 15 December 2019. Save for the aforesaid, all other terms and conditions of the Convertible Notes remain unchanged. The holders of the Convertible Notes have irrevocably and unconditionally agreed and undertaken to waive any and all events of default that may have arisen on or prior to the date of the Second Amendment Deed. The Second Amendment Deed has become unconditional on 23 August 2019 upon approval being received from the Stock Exchange.

On 10 February 2020, the Company and all the holders of the Convertible Notes entered into third deeds of amendment (the “**Third Amendment Deeds**”) to (i) remove the mechanism under which the holders of the Convertible Notes are entitled to convert the outstanding principal amount of the Convertible Notes into conversion shares; (ii) further extend the maturity date (as extended by the Second Amendment Deed) from 15 December 2019 to 15 May 2020; (iii) amend the interest rate of the Convertible Notes from 10% per annum to 12% per annum with effect from 15 December 2019; and (iv) require the Company to pay in advance interest accrued and to be accrued from (and including) 15 December 2019 to (but excluding) 15 May 2020. Save for the aforesaid, all other terms and conditions of the Convertible Notes remain unchanged. The holders of the Convertible Notes have irrevocably and unconditionally agreed and undertaken to waive any and all events of default that may have arisen on or prior to the date of the Third Amendment Deeds. The Third Amendment Deeds have become unconditional on 12 February 2020 upon approval being received from the Stock Exchange. The Convertible Notes have since then been reclassified as notes (the “**Notes**”).

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2024, all outstanding principal amount of the Notes had been repaid.

Further details are set out in the announcements of the Company dated 26 May 2016, 15 June 2016, 12 December 2017, 19 December 2017, 22 August 2019, 23 August 2019, 10 February 2020 and 12 February 2020 respectively.

Issuance of New Convertible Bonds

On 31 December 2018, the Company, Filled Converge Limited ("**Filled Converge**") and Well Foundation Company Limited ("**Well Foundation**") entered into a subscription agreement (the "**Subscription Agreement**"), pursuant to which the Company conditionally agreed to issue and (i) Filled Converge conditionally agreed to subscribe for the convertible bonds (the "**Convertible Bonds**") in the principal amount of HK\$294,183,000 and (ii) Well Foundation conditionally agreed to subscribe for the Convertible Bonds in the principal amount of HK\$19,612,000. The Convertible Bonds are in aggregation in the amount of HK\$313,795,000 due at 2021 and extendable to 2022 at an interest rate of 8% per annum, with the conversion rights to convert the outstanding principal amount of the Convertible Bonds into the shares of the Company at an initial conversion price of HK\$0.485 per conversion share.

On 28 January 2022, the Company entered into a subscription agreement (the "**New Subscription Agreement**") with one of the holders of the Convertible Bonds, Filled Converge, in respect of subscription of convertible bonds in the principal amount of HK\$356,375,000 due 2025 (the "**New Convertible Bonds**"). Pursuant to the New Subscription Agreement, the Company conditionally agreed to issue and Filled Converge conditionally agreed to subscribe for the New Convertible Bonds in the principal amount of HK\$356,375,000.

MANAGEMENT DISCUSSION AND ANALYSIS

The principal amount of HK\$294,183,000 and outstanding interests payable by the Company to Filled Converge under the Convertible Bonds were fully settled through the New Convertible Bonds issued by the Company to Filled Converge. The remaining amount of proceeds from the subscription of the New Convertible Bonds (i.e. approximately HK\$4,000) were used to partially settle the professional fees incurred by the Company. The New Convertible Bonds will be due in 2025 at an interest rate of 10% per annum, with the conversion rights to convert the outstanding principal amount of the New Convertible Bonds into the Company's ordinary shares at an initial conversion price of HK\$0.18 per conversion share.

Assuming full conversion of the New Convertible Bonds, a total of 1,979,861,111 new shares of the Company, being the conversion shares, would be allotted and issued, representing (i) approximately 100.04% of the issued share capital of the Company as at the date of the New Subscription Agreement; and (ii) approximately 50.01% of the issued share capital of the Company as at the date of the New Subscription Agreement as enlarged by the allotment and issue of the conversion shares upon full conversion of the New Convertible Bonds.

The issuance of New Convertible Bonds was approved by the Shareholders at the extraordinary general meeting held on 19 April 2022 and approved by the Stock Exchange on 22 April 2022. The issuance of New Convertible Bonds was completed on 28 April 2022.

None of the rights attached to the New Convertible Bonds has been exercised and no conversion shares has been allotted or issued from the conversion of the New Convertible Bonds during the Reporting Period.

Subsequent to the Rights Issue (as defined below) with effect from 22 August 2023, the number of shares to be allotted and issued upon exercise of all the conversion rights under the New Convertible Bonds are adjusted to 494,278,779 new shares, at the conversion price of HK\$0.721 per conversion share.

Further details of the issuance of the New Convertible Bonds are set out in the announcements of the Company dated 28 January 2022, 11 March 2022, 17 March 2022, 19 April 2022, 20 April 2022, 28 April 2022 and 21 August 2023 and the circular of the Company dated 29 March 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Reorganisation

Rights Issue

On 12 May 2023, the Company proposed to implement the issue by way of rights (the **"Rights Issue"**) of up to 1,277,353,730 Shares (the **"Rights Share(s)"**) on the basis of five (5) Rights Shares for every two (2) consolidated shares held on the record date at the subscription price of HK\$0.18 per Rights Share, to raise gross proceeds of approximately HK\$229.9 million before expenses (assuming no change in the number of Shares in issue on or before the record date other than the exercise of all outstanding share options).

The Rights Issue became effective on 22 August 2023. 1,187,403,730 Rights Shares with par value of HK\$0.05 each were allotted and issued. The net proceeds from the Rights Issue after deducting the expenses were approximately HK\$211.0 million. Further details of the Rights Issues were set out in the announcements of the Company dated 12 May 2023, 4 July 2023, 7 August 2023 and 21 August 2023, the circular of the Company dated 14 June 2023 and the prospectus of the Company dated 19 July 2023.

The intended and actual use of the net proceeds from the Rights Issue is stated as below:

	Intended use of the net proceeds (HK\$ million)	Actual use of the net proceeds up to 30 June 2024 (HK\$ million)	Unutilised net proceeds up to 30 June 2024 (HK\$ million)	Expected timeline on utilisation of unutilised net proceeds
Repayment of the Corporate Bonds	92.0	43.9	48.1	December 2024
Repayment of the Notes	70.0	70.0	—	N/A
Future business development	27.8	27.8	—	N/A
General working capital	21.2	21.2	—	N/A
Total	211.0	162.9	48.1	

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Raising

Save as disclosed in this report, the Group did not have other capital raising activity during the Reporting Period.

Share Option Scheme

On 29 January 2021, 179,900,000 share options were granted by the Company at the exercise price of HK\$0.18 per share. Subsequent to the Rights Issue with effect from 22 August 2023, the number of shares to be issued upon exercise of the outstanding share options was adjusted to 59,295,040 shares at the exercise price of HK\$0.546 per share.

Further details are set out in the section headed “Share Option Scheme” in this report and also in the announcements of the Company dated 29 January 2021 and 21 August 2023.

Sale and Leaseback Transactions

On 29 November 2019, Huaneng Tiancheng Financial Leasing Co., Ltd. (華能天成融資租賃有限公司) (the “**Lessor**”) and Hongsong, an indirectly non wholly-owned subsidiary of the Company (the “**Lessee**”), entered into a series of sale and leaseback agreements (the “**Sale and Leaseback Agreements**”), pursuant to which, among other things, the Lessor agreed to purchase from the Lessee certain wind power generators, ancillaries, buildings and land use rights (the “**Leased Assets**”) of the operation of a wind farm in Chengde City, Hebei Province, the PRC, at an aggregate consideration of RMB1,800,000,000, which shall be leased back to the Lessee with lease periods range from 5 to 13 years as stipulated in each of the Sale and Leaseback Agreements. Upon expiry of the lease term of each of the Sale and Leaseback Agreements, the Lessee can purchase the Leased Assets at a consideration of RMB20,000. The total purchase consideration for the Leased Assets shall be RMB100,000 in aggregate. The total consideration of the Leased Assets of RMB1,800,000,000 represents a premium of approximately 9.46% over the appraised value of the Leased Assets of approximately RMB1,644,500,000 as at 31 October 2019 as appraised by an independent valuer.

MANAGEMENT DISCUSSION AND ANALYSIS

During the lease periods of the Sale and Leaseback Agreements, the ownership of the Leased Assets will be vested in the Lessor. The Lessee shall have the right to possess and use the Leased Assets. In accordance with the requirements of HKFRSs, the sale and leaseback transactions shall be accounted for as a financing transaction and therefore would not give rise to any gain or loss, or reduction in value of the Leased Assets. The Sale and Leaseback Agreements were approved, confirmed and ratified at the extraordinary general meeting held on 13 January 2020. During the Reporting Period, nil consideration has been paid by the Lessor. Up to the date of this report, an aggregate consideration of RMB1,400,000,000 has been received by the Lessee, and the Lessee is in negotiation with the Lessor for the payment of the remaining balances of the consideration.

Further details are set out in the announcements of the Company dated 29 November 2019, 28 December 2020 and 24 November 2021, and the circular of the Company dated 24 December 2019.

Material Acquisition and Disposal

Save as disclosed in this report, there were no material acquisition and disposal of subsidiaries and associated companies by the Group during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets

As at 30 June 2024, the Group has pledged certain property, plant and equipment and certain leasehold land including in right-of-use assets with a carrying value of approximately RMB578,960,000 (31 December 2023: approximately RMB638,234,000), and trade and other receivables with a carrying value of approximately RMB256,253,000 (31 December 2023: approximately RMB222,797,000) as securities for the borrowings obtained by the Group. As at 30 June 2024, the issued share capital of certain subsidiaries of the Company were pledged for borrowings obtained by the Group.

Contingent Liabilities

As at 30 June 2024, the Group had no material contingent liabilities.

Employees and Remuneration Policies

As at 30 June 2024, the Group had 140 full-time employees (31 December 2023: 136 employees) in Hong Kong and the PRC in respect of the Group's operations. For the Reporting Period, the relevant staff costs (including Directors' remuneration) were approximately RMB24,686,000 (for the six months ended 30 June 2023: approximately RMB22,875,000). The Group's remuneration and bonus packages were given based on the performance of its employees in accordance with the general standards of the Group's salary policies.

Proposed Subscription of New Shares and Convertible Bonds of the Company under Specific Mandates and Possible Acquisition

Reference is made to the announcement of the Company dated 21 June 2024 (the "2024 June Announcement") in relation to, among other things, Share Subscriptions (as defined in the 2024 June Announcement), CB Subscriptions (as defined in the 2024 June Announcement) and the Possible Acquisition (as defined below).

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to two agreements dated 26 January 2024, supplemented by a supplemental agreement dated 21 June 2024, entered into between the Company and Hebei Provincial Expressway Development Co., Ltd.* (河北高速公路開發(集團)有限公司) ("**Subscriber A Holdco**"), Subscriber A Holdco has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue 590,615,905 new shares ("**Share Subscription A**") and the 2024 RMB Convertible Bonds (as defined in the 2024 June Announcement) in a principal amount of RMB933,689,137 ("**CB Subscription A**") for a consideration of RMB106,310,863 (equivalent to approximately HK\$115.8 million) and RMB933,689,137 (equivalent to approximately HK\$1,016.7 million), respectively, under Specific Mandate A (as defined in the 2024 June Announcement).

Pursuant to an agreement dated 21 June 2024 ("**Subscription Agreement B**") entered into between the Company and Atlantis New Hong Kong Equity Fund Limited ("**Subscriber B**"), Subscriber B has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue 119,437,859 new shares and the 2024 HKD Convertible Bonds (as defined in the 2024 June Announcement) in a principal amount of HK\$161,701,291, for a consideration of HK\$23,409,820 and HK\$161,701,291, respectively, under Specific Mandate B (as defined in the 2024 June Announcement) ("**Subscription B**").

Pursuant to an agreement dated 21 June 2024 ("**Subscription Agreement C**") entered into between the Company and TradArt Flagship Investment SPC — Growth Engine Fund SP ("**Subscriber C**"), Subscriber C has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue the 2024 HKD Convertible Bonds in a principal amount of HK\$98,000,000, for a consideration of HK\$98,000,000, under Specific Mandate C (as defined in the 2024 June Announcement) ("**CB Subscription C**").

On 26 January 2024, the Company, as the intended purchaser, entered into a non-legally binding equity transfer framework agreement with Hebei Province Jijiao Energy Co., Ltd* (河北省冀交能源有限公司) and Hebei Shengde Jichu Sheshi Jianshe Kaifa Co., Ltd* (河北晟德基礎設施建設開發有限公司) (the "**Vendors**"), as the intended vendors, pursuant to which the Vendors intended to sell and the Company or its wholly-owned subsidiary (the "**Purchaser**") intended to purchase, 50% equity interest in Hebei Jiaotou Deneng Energy Co. Ltd* (河北交投德能能源有限公司), at a proposed consideration of not more than RMB7.5 million (equivalent to approximately HK\$8.2 million) to be payable in full in cash by the Purchaser (the "**Possible Acquisition**").

MANAGEMENT DISCUSSION AND ANALYSIS

The Board also believes that the Share Subscriptions and the CB Subscriptions will allow the Company to raise additional funds (i) to upgrade the Group's generators and related equipment and invest in new equipment and potential business opportunities; (ii) to repay the Group's borrowings and other payables; and (iii) to replenish the Group's working capital.

Share Subscription A, CB Subscription A and the Possible Acquisition are inter-conditional to each other and are subject to a number of conditions, which may or may not be fulfilled. For the avoidance of doubt, Subscription B and CB Subscription C are not inter-conditional to each other and are not conditional upon the completion of Share Subscription A, CB Subscription A and the Possible Acquisition. As at the date of this report, the above proposed and possible transactions have not yet been completed. For details of the above proposed and possible transactions, please refer to the 2024 June Announcement and the announcement of the Company dated 13 August 2024.

Events after the Reporting Period

On 15 July 2024, the Company, Jiujiu Renewable Energy Investment (Guangzhou) Company Limited* (九嘉新能源投資(廣州)有限公司) ("**Jiujiu Renewable Energy**") and its shareholders, namely Zhuhai Hengqin Jiujiu Project Management Enterprise (Limited Partnership)* (珠海橫琴九嘉項目管理企業(有限合夥)) ("**Zhuhai Hengqin Jiujiu**") and Guangzhou Ruibo Longxin Industrial Company Limited* (廣州市瑞博龍新實業有限公司) ("**Guangzhou Ruibo Longxin**") entered into a capital injection agreement ("**Capital Injection Agreement**"). Pursuant to the Capital Injection Agreement, i) the registered capital of Jiujiu Renewable Energy was RMB1,000,000 and owned as to 95% by Zhuhai Hengqin Jiujiu and 5% by Guangzhou Ruibo Longxin, respectively; ii) Guangzhou Ruibo Longxin will transfer its 5% equity interest to Zhuhai Hengqin Jiujiu at nil consideration; iii) the registered capital of Jiujiu Renewable Energy will be increased from RMB1,000,000 to RMB10,000,000 of which the Company owned as to 60% by capital injection of RMB6,000,000 and Zhuhai Hengqin Jiujiu owned as to 40% by capital injection of RMB4,000,000; and iv) the Company and Zhuhai Hengqin Jiujiu shall inject additional capital in the amount of RMB49,200,000 and RMB32,800,000 respectively, as capital reserve of Jiujiu Renewable Energy.

Jiujiu Renewable Energy owned 100% equity interest of Hebei Ruifeng Yunlian Digital Company Limited* (河北瑞風雲聯數字新能源有限公司) ("**Hebei Ruifeng Yunlian Digital**") with its registered capital of RMB50,000,000 and paid-up capital of RMB30,000,000. The registered capital of Hebei Ruifeng Yunlian Digital will be increased from RMB50,000,000 to RMB100,000,000 pursuant to the Capital Injection Agreement.

* For identification purposes only

MANAGEMENT DISCUSSION AND ANALYSIS

The additional capital injected by the Company and Zhuhai Hengqin Jiujia shall be used solely for the purpose of developing Hebei Ruifeng Yunlian Digital's grid-side independent energy storage project in Chabei Management District of Zhangjiakou City of Hebei Province in the PRC, with a capacity of 300 megawatt/1.2 gigawatt hours.

Subsequent to the completion of the acquisition on 15 July 2024, the Group obtained control over Jiujia Renewable Energy and Hebei Ruifeng Yunlian Digital. Therefore, they became indirect non-wholly owned subsidiaries of the Company and their financial results will be consolidated into the financial statements of the Company.

Further details of the capital injection are set out in the announcements of the Company dated 15 July 2024 and 22 July 2024.

Save as disclosed in this report, the Group did not have any significant events since the end of the Reporting Period and up to the date of this report.

FUTURE PROSPECTS

To promote its goals of achieving peak carbon emissions and carbon neutrality, China will gradually promulgate plans for key areas and industries to peak carbon emissions and implement a series of supporting measures to construct a "1+N" policy framework for carbon peak and carbon neutrality. China will firmly implement its new concept of green development, promote resource conservation and recycling in all aspects, continue to adjust industrial and energy structures, and vigorously develop renewable energy sources by accelerating the construction of large-scale wind and PV grid projects in Gobi and other desert areas.

On 1 June 2022, nine PRC authorities including the National Development and Reform Commission of China and the National Energy Administration jointly issued the "14th Five-Year Plan for Renewable Energy Development" (《「十四五」可再生能源發展規劃》) which sets out the goals for development and utilisation of renewable energy. During the second year of the 14th Five-year Plan, China has been steadily developing its wind and solar power industries. Its offshore and decentralised wind power projects and domestic PV projects garnered attention. Under its "dual carbon" goals, China has entered into a new era in relation to its wind and solar energy. National policies will continue to be optimised and adjusted to solve restrictive factors such as the assessment mechanism, consumption conditions, and industry-finance integration, in order to create a standardised market environment, delegate administrative powers and improve government services, give a full play to the dynamics of local governments and market entities, and bring new momentum to the wind and solar power industries.



MANAGEMENT DISCUSSION AND ANALYSIS

With technological advancement, wind energy price decreases because of equipment manufacturers' ability to build larger and lighter wind turbine products. On the other hand, as a result of the Chinese government's increasing investment in smart grids and ultra-high-voltage electrical transmission cables, abandoned wind rates and power rationing hours have been decreasing every year, while utilisation hours for wind power have been increasing. At present, wind power has achieved grid parity, and its economic benefits have become increasingly prominent.

In the future, the Group will continue to consolidate its resources on the development and operation of various renewable energy systems such as wind farms, with the aim of becoming one of the pillar companies in the renewable energy industry in northern China. Through joint development and acquisitions, the Group will continue seeking opportunities to develop its renewable energy business in new and clean energy areas other than wind power. Moreover, the Group will continue looking for and acquiring power stations with good development prospects and established operations to strengthen its existing business of operating and maintaining wind farms in northern China, gradually expanding its business coverage to surrounding areas, and increasing its interaction with other business sectors. At the same time, the Group is actively seeking opportunities to expand its business scope to hydrogen-related businesses including the production of hydrogen vehicles, wind power to hydrogen generation, hydrogen storage, and building and operation of a hydrogen fuel station. It is believed that such expansion is in line with the climate commitments of the Central Government of the PRC to achieve peak carbon emissions before 2030 and carbon neutrality by 2060. The Group will primarily raise fund in the capital market to achieve future development projects.

In the long-run, the Group will focus its effort on the development and optimisation of existing renewable energy resources. In parallel to the expansion of wind farm's operational scale and the enhancement of efficiency, the Group will integrate the advantages of all cooperating parties and itself in order to explore more development opportunities in other new areas of clean energy and further consolidate the Group's position in the industry of renewable energy. During the course of business integration and resources integration, possible synergistic opportunities among different business segments will be explored for business expansions and growth in revenues and profits. The Group is committed to becoming a renewable energy supplier and integrated service provider with relatively strong competitiveness, establishing a stable and comprehensive foundation for long-term growth of the Group, creating more value for the society, and seeking higher returns for the Shareholders and investors of the Company.

DISCLOSURE OF INTERESTS

(A) INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY

As at 30 June 2024, save as disclosed below, none of the Directors or chief executives of the Company had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company or 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 was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors or chief executives of the Company is taken or deemed to have under such provisions of the SFO) or which was required to be entered into the register required to be kept by the Company pursuant to section 352 of the SFO or which was otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as contained in Appendix C3 to the Rules Governing the Listing of Securities (the “Listing Rules”):

Long positions in shares and underlying shares of the Company

Name of Director	Capacity	Number of shares/underlying shares			Total	Approximate percentage of shareholdings (Note 5)
		Corporate interests	Convertible Bonds	Share options (Note 1)		
Zhang Zhixiang ("Mr. Zhang")	Beneficial owner/ Interest of controlled corporation	216,206,900 (Note 2)	494,278,779 (Note 3)	6,493,120	716,978,799	43.13%
Mr. Ning Zhongzhi	Beneficial owner	—	—	6,493,120	6,493,120	0.39%
Mr. Qu Weidong	Beneficial owner	—	—	1,713,920	1,713,920	0.10%
Ms. Hu Xiaolin	Beneficial owner	—	—	1,713,920	1,713,920	0.10%
Mr. Jiang Senlin	Beneficial owner	—	—	1,713,920	1,713,920	0.10%

Notes:

- These shares were the shares which would be allotted and issued upon exercise in full of the share options granted to such Director under the share option scheme of the Company, details of which are provided in the section headed “Share Option Scheme” in this report.

DISCLOSURE OF INTERESTS

2. Mr. Zhang is the beneficial owner of the entire issued shares of Diamond Era Holdings Limited ("**Diamond Era**"). As at 30 June 2024, Diamond Era was interested in 216,206,900 shares. Mr. Zhang is deemed, or taken to be, interested in the shares of the Company in which Diamond Era is interested for the purpose of the SFO.
3. Filled Converge is wholly-owned by Mr. Zhang which holds the New Convertible Bonds issued by the Company on 28 April 2022 in the principal amount of HK\$356,375,000. Assuming the conversion right of the New Convertible Bonds were exercised in full, the total of 494,278,779 new shares will be issued to Filled Converge, representing approximately 29.73% of total issued shares issued by the Company as at 30 June 2024.
4. On 6 June 2023 (after trading hours), the assignors and Mr. Yuan Wanyong ("**Mr. Yuan**") as the second assignee entered into a deed of assignment, pursuant to which Mr. Yuan is entitled to acquire the 80% of the assignors' respective rights and interests (including the assets and the assigned interest) under the assigned contracts and the debts pursuant to the facility agreement and the security documents if the account charge has become enforceable. The total consideration for such acquisition is HK\$240 million which shall be paid in the manner set out in the deed of assignment. Please refer to the Company's announcement dated 8 June 2023 for further details.

Reference is made to the 2024 June Announcement.

Diamond Era charged 216,206,900 Shares in favour of Quam Finance Limited as a security of the Facility (as defined in the 2024 June Announcement) on 31 August 2020. Filled Converge charged its New Convertible Bonds and the conversion shares issuable in favour of Quam Finance Limited as security agent for the Facility (as defined in the 2024 June Announcement) on 10 October 2022.

Pursuant to the First Deed of Partial Assignment (as defined in the 2024 June Announcement) and Second Deed of Partial Assignment (as defined in the 2024 June Announcement), EBG Capital Holdings Limited ("**EBG**") and Mr. Yuan are equitably assigned 20% and 80% of the rights and interests under the Assigned Contracts (as defined in the 2024 June Announcement) and the Debts (as defined in the 2024 June Announcement), respectively, including, among other things, (i) 216,206,900 Shares owned by Diamond Era; and (ii) 20% and 80% of the New Convertible Bonds as a security to the indebtedness under the Facility Agreement (as defined in the 2024 June Announcement).

As at the date of this report, EBG is wholly owned by Mr. Yuan. Accordingly, Mr. Yuan is interested in the Shares owned by Diamond Era. Please refer to the 2024 June Announcement for further details.

5. Based on the total number of issued shares (i.e. 1,662,365,223) of the Company as at 30 June 2024.

DISCLOSURE OF INTERESTS

(B) INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 June 2024, save as disclosed below, the Directors were not aware of any person (other than the Directors or chief executives of the Company) who had any 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 as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Number of Shares & Underlying Shares held/ interested	Nature of interest	Position	Approximate percentage of shareholdings (Note 5)
Atlantis Capital Group Holdings Limited (Note 3)	944,444,444	Interest of controlled corporation	Long	56.81%
Atlantis New Hong Kong Equity Fund Limited (Note 3)	944,444,444	Beneficial owner	Long	56.81%
Diamond Era (Note 1)	216,206,900	Beneficial owner	Long	13.01%
Filled Converge (Note 2)	494,278,779	Beneficial owner	Long	29.73%
Hebei Provincial Expressway Development Co., Ltd* (Note 4)	5,777,777,778	Beneficial owner	Long	347.56%
Hebei Transportation Investment Group Company Limited* (Note 4)	5,777,777,778	Interest of controlled corporation	Long	347.56%
Liu Yang (Note 3)	944,444,444	Interest of controlled corporation	Long	56.81%
Xu Yingjie	227,966,663	Beneficial owner	Long	13.71%

DISCLOSURE OF INTERESTS

Notes:

1. As at 30 June 2024, Diamond Era was interested in 216,206,900 shares. Diamond Era is wholly-owned by Mr. Zhang, an executive Director.
2. Filled Converge is wholly-owned by Mr. Zhang which holds the New Convertible Bonds issued by the Company on 28 April 2022 in the principal amount of HK\$356,375,000. Assuming the conversion right of the New Convertible Bonds were exercised in full, the total of 494,278,779 new shares will be issued to Filled Converge, representing approximately 29.73% of total issued shares issued by the Company as at 30 June 2024.
3. On 21 June 2024, the Company and Atlantis New Hong Kong Equity Fund Limited ("**Subscriber B**") has entered into a subscription agreement, pursuant to which Subscriber B has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 119,437,859 ordinary shares and the Company's convertible bond ("**2024 HKD Convertible Bonds**") in a principal amount of approximately HK\$161.7 million, which is convertible into 825,006,585 ordinary shares of the Company. For details, please refer to the Company's announcement dated 21 June 2024.

As at 30 June 2024, Subscriber B was interested in 944,444,444 shares of the Company, representing approximately 56.81% of issued share capital of the Company as at 30 June 2024, assuming full exercise of the conversion rights attached to all of the 2024 HKD Convertible Bonds.

Subscriber B is wholly controlled by Atlantis Investment Management Limited ("**Atlantis Investment**"), which, in turn, is wholly controlled by Atlantis Capital Group Holdings Limited ("**Atlantis Capital**"). Therefore, Atlantis Investment and Atlantis Capital are deemed to be interested in the shares in which Subscriber B is interested under SFO.

Atlantis Capital is wholly controlled by Liu Yang. Therefore, Liu Yang is deemed to be interested in the shares in which Atlantis Capital is interested under SFO.

4. On 26 January 2024, Hebei Provincial Expressway Development Co., Ltd.* (河北高速公路開發(集團)有限公司) ("**Subscriber A Holdco**") and the Company conditionally entered into two subscription agreements (as supplemented by a supplemental agreement dated 21 June 2024), pursuant to which, Subscriber A Holdco has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 590,615,905 ordinary shares and the Company's convertible bond ("**2024 RMB Convertible Bonds**") in a principal amount of approximately RMB933.7 million, which is convertible into 5,187,161,873 ordinary shares of the Company. For details, please refer to the Company's announcement dated 21 June 2024.

As at 30 June 2024, Subscriber A Holdco was interested in 5,777,777,778 shares of the Company, representing approximately 347.56% of the issued share capital of the Company as at 30 June 2024, assuming full exercise of the conversion rights attached to all of the 2024 RMB Convertible Bonds.

DISCLOSURE OF INTERESTS

Subscriber A Holdco is wholly controlled by Hebei Transportation Investment Group Company Limited * (河北交通投資集團有限公司) (“**Hebei Transportation Investment Group**”). Therefore, Hebei Transportation Investment Group is deemed to be interested in the shares in which Subscriber A Holdco is interested under SFO.

5. Based on the total number of issued shares (i.e. 1,662,365,223) of the Company as at 30 June 2024.



CORPORATE GOVERNANCE

The Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules on the Stock Exchange throughout the Reporting Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules. The Company had made specific enquiries with all the Directors and all the Directors confirmed that they had strictly complied with the required standard set out in the Model Code and the aforesaid code of conduct adopted by the Company for the Reporting Period.

Senior management and those staff who are more likely to be in possession of unpublished inside information or other relevant information in relation to the Group have adopted rules based on the Model Code. These senior management and staff have been individually notified and advised about the Model Code by the Company. No incident of non-compliance of the Model Code by relevant senior management members was noted by the Company during the Reporting Period.

OTHER INFORMATION

INTERIM DIVIDEND

The Directors do not recommend any payment of interim dividend for the Reporting Period (for the six months ended 30 June 2023: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any listed securities of the Company during the Reporting Period.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed by the Shareholders on 1 June 2015, a share option scheme (the “**Scheme**”) was adopted by the Company to provide incentives and rewards to eligible persons for their contributions or potential contributions to the Group. The Scheme shall be valid for 10 years from 1 June 2015 and the particulars of the Scheme were set out in the 2020 Annual Report of the Company.

The Company had refreshed 10% scheme mandate limit for granting share options under the Scheme with the Shareholders’ approval on the annual general meeting held on 29 July 2021, a maximum of 197,914,080 share options could be granted and the maximum number of shares to be issued upon full exercise of the share options will be 197,914,080 shares, being 10.00% of the issued share capital of the Company as at 29 July 2021.

OTHER INFORMATION

During the Reporting Period, no share options were granted, with details show on below table for the share options granted to the Directors and employees under the Scheme during the six months ended 30 June 2024:

Name and category of participant	Number of share options				As at 30 June 2024	Grant date	Exercise period (Note)	Exercise price per share
	As at 1 January 2024	Granted during the period	Cancelled/ lapsed during the period	Exercised during the period				
Directors								
Mr. Zhang Zhixiang	6,493,120	—	—	—	6,493,120	29 January 2021	4 years commencing from 29 January 2021	HK\$0.546
Mr. Ning Zhongzhi	6,493,120	—	—	—	6,493,120	29 January 2021	4 years commencing from 29 January 2021	HK\$0.546
Mr. Qu Weidong	1,713,920	—	—	—	1,713,920	29 January 2021	4 years commencing from 29 January 2021	HK\$0.546
Ms. Hu Xiaolin	1,713,920	—	—	—	1,713,920	29 January 2021	4 years commencing from 29 January 2021	HK\$0.546
Mr. Jiang Senlin	1,713,920	—	—	—	1,173,920	29 January 2021	4 years commencing from 29 January 2021	HK\$0.546
Employees								
In aggregate	38,530,240	—	—	—	38,530,240	29 January 2021	4 years commencing from 29 January 2021	HK\$0.546
Total	56,658,240	—	—	—	56,658,240			

Note: All share options granted do not have any vesting period.

No share option has been exercised under the Scheme during the six months ended 30 June 2023 and 2024.

As at 30 June 2024, the total number of outstanding share options available for grant under the Scheme was 39,582,816, which represented approximately 2.4% of the issued share capital of the Company (30 June 2023: 197,914,080).

OTHER INFORMATION

Save as disclosed in this report, at no time during the six months ended 30 June 2024 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors of the Company or their spouse or minor children had any rights to subscribe for the securities of the Company, or had exercised any such rights during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public for the Reporting Period and up to the date of this report.

REMUNERATION COMMITTEE

The Company has set up a remuneration committee which is comprised of Ms. Hu Xiaolin (chairman), Mr. Zhang Zhixiang, Mr. Qu Weidong and Mr. Jiang Senlin as at the date of this report.

NOMINATION COMMITTEE

The Company has set up a nomination committee which is comprised of Mr. Qu Weidong (chairman), Mr. Zhang Zhixiang, Ms. Hu Xiaolin and Mr. Jiang Senlin as at the date of this report.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") which comprises Mr. Jiang Senlin (chairman), Mr. Qu Weidong and Ms. Hu Xiaolin as at the date of this report, all being independent non-executive Directors. The Audit Committee has reviewed the unaudited financial results of the Group for the Reporting Period. The Audit Committee has also discussed matters such as internal control and risk management adopted by the Group and the financial reporting matters of the Group for the Reporting Period.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the six months ended 30 June 2023 RMB'000 (unaudited)
Revenue	6	173,602	190,165
Cost of sales	7	(109,022)	(119,937)
Gross profit		64,580	70,228
Interest income		4,104	3,641
Other income		11,031	9,450
Other (losses)/gains, net		(861)	92
Administrative expenses	7	(22,469)	(18,700)
Operating profit		56,385	64,711
Finance costs	9	(63,765)	(72,376)
Share of losses of associates	15	(19)	(326)
Share of profits of joint ventures	16	1	—
Loss before income tax		(7,398)	(7,991)
Income tax expense	10	(14,446)	(13,089)
Loss for the period		(21,844)	(21,080)
Loss for the period attributable to:			
— the owners of the Company		(36,818)	(29,431)
— non-controlling interests		14,974	8,351
		(21,844)	(21,080)
Loss per share attributable to the owners of the Company (in RMB)			(Restated)
Basic and diluted	11	(0.022)	(0.041)

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the six months ended 30 June 2023 RMB'000 (unaudited)
Loss for the period	(21,844)	(21,080)
Other comprehensive (loss)/income		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange difference arising on translation of financial statements of foreign operations outside the People's Republic of China (the "PRC")	(15,742)	(28,927)
<i>Item that may not be reclassified to profit or loss:</i>		
Exchange difference arising on translation of financial statements of the Company	6,128	5,901
Other comprehensive loss for the period, net of tax	(9,614)	(23,026)
Total comprehensive loss for the period	(31,458)	(44,106)
Total comprehensive loss for the period attributable to:		
— the owners of the Company	(46,432)	(52,457)
— non-controlling interests	14,974	8,351
	(31,458)	(44,106)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	13	680,724	744,622
Right-of-use assets	14	16,270	16,082
Interests in associates	15	1,470	1,489
Interests in joint ventures	16	3,062	3,061
Financial assets at fair value through other comprehensive income		27,370	27,370
Financial assets at fair value through profit or loss		3,324	3,324
Prepayments and other receivables	17	191,776	161,776
		923,996	957,724
Current assets			
Trade and other receivables	17	582,067	520,211
Financial assets at fair value through profit or loss		5,434	2,022
Cash and cash equivalents		244,468	385,512
		831,969	907,745
Total assets		1,755,965	1,865,469

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

— Continued

As at 30 June 2024

	Notes	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
EQUITY			
(Deficit)/equity attributable to the owners of the Company			
Share capital	18	75,057	75,057
Reserves		(110,947)	(64,306)
		(35,890)	10,751
Non-controlling interests		204,178	201,237
Total equity		168,288	211,988
LIABILITIES			
Non-current liabilities			
Lease liabilities		1,407	1,073
Borrowings	20	807,603	1,238,293
Deferred income tax liabilities		4,134	5,827
		813,144	1,245,193
Current liabilities			
Trade and other payables	19	102,549	107,713
Borrowings	20	663,199	281,242
Lease liabilities		4,520	3,752
Current income tax liabilities		4,265	15,581
		774,533	408,288
Total liabilities		1,587,677	1,653,481
Total equity and liabilities		1,755,965	1,865,469

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	(unaudited)										
	Attributable to equity shareholders of the Company										Non-controlling interests
	Share capital RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Translation reserve RMB'000	Convertible bonds reserve RMB'000	Fair value reserve RMB'000	Share options reserve RMB'000	Warrants reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	
At 1 January 2023	17,884	1,502,189	93,030	(165)	29,654	4,656	10,300	13,366	(1,744,817)	(73,903)	189,060
Comprehensive loss											
Loss for the period	—	—	—	—	—	—	—	—	(29,431)	(29,431)	8,351
Other comprehensive loss											
Exchange difference arising on translation of foreign operations	—	—	—	(23,026)	—	—	—	—	—	(23,026)	—
Total comprehensive loss for the period	—	—	—	(23,026)	—	—	—	—	(29,431)	(52,457)	8,351
Transactions with owners											
Transfer to statutory reserves	—	—	2,815	—	—	—	—	—	(2,815)	—	—
Issuance of convertible bonds	—	—	—	—	5,672	—	—	—	—	5,672	—
Conversion of convertible bonds	2,849	14,529	—	—	(5,672)	—	—	—	—	11,706	—
Lapse of non-listed warrants	—	—	—	—	—	—	—	(13,366)	13,366	—	—
At 30 June 2023	20,733	1,516,718	95,845	(23,191)	29,654	4,656	10,300	—	(1,763,697)	(108,982)	197,411

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

— Continued

For the six months ended 30 June 2024

	(unaudited)										
	Attributable to equity shareholders of the Company										Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Translation reserve RMB'000	Convertible bonds reserve RMB'000	Fair value reserve RMB'000	Share options reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	
At 1 January 2024	75,057	1,656,913	99,499	(15,037)	29,654	1,240	9,842	(1,846,417)	10,751	201,237	211,988
Comprehensive loss											
Loss for the period	—	—	—	—	—	—	—	(36,818)	(36,818)	14,974	(21,844)
Other comprehensive loss											
Exchange difference arising on translation of foreign operations	—	—	—	(9,614)	—	—	—	—	(9,614)	—	(9,614)
Total comprehensive loss for the period	—	—	—	(9,614)	—	—	—	(36,818)	(46,432)	14,974	(31,458)
Transactions with owners											
Transfer to statutory reserves	—	—	2,992	—	—	—	—	(2,992)	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—	(12,242)	(12,242)
Deemed acquisition of additional interest in a subsidiary (note 22)	—	—	—	—	—	—	—	(209)	(209)	209	—
At 30 June 2024	75,057	1,656,913	102,491	(24,651)	29,654	1,240	9,842	(1,886,436)	(35,890)	204,178	168,288

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Note	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the six months ended 30 June 2023 RMB'000 (unaudited)
Cash flows from operating activities			
Cash generated from operations	21(a)	48,096	66,825
The PRC corporate income tax paid		(27,461)	(11,928)
Net cash generated from operating activities		20,635	54,897
Cash flows from investing activities			
Payments for property, plant and equipment		(2,028)	(446)
Proceeds from disposal of items of property, plant and equipment		595	—
Increase in prepayment for acquisition of property, plant and equipment and investments		(30,000)	—
Refunds of prepayments for acquisition of property, plant and equipment		—	500
Increase/(decrease) in loan receivables		(115)	11,556
Interest received		4,104	1,394
Proceeds from partial disposals of financial assets at fair value through profit or loss		—	1,013
Net cash generated from investing activities		(27,444)	14,017

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS — Continued

For the six months ended 30 June 2024

	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the six months ended 30 June 2023 RMB'000 (unaudited)
Cash flows from financing activities		
Advances from an associate	948	—
Advances from non-controlling interest	1,256	—
Proceeds from other loans	5,000	3,057
Proceeds from issuance of bonds	—	2,724
Proceeds from issuance of convertible bonds	—	16,838
Repayment of bank loans and other loans	(87,573)	(76,118)
Repayment of bonds	(10,041)	(5,981)
Repayment of convertible bonds	—	—
Principal elements of lease payments	(2,399)	(1,701)
Interest elements of lease payments	(156)	(152)
Other borrowing costs paid	(42,089)	(50,062)
Dividend paid to non-controlling interests	(73)	(10,080)
Net cash used in financing activities	(135,127)	(121,475)
Net decrease in cash and cash equivalents	(141,936)	(52,561)
Cash and cash equivalents at the beginning of the period	385,512	420,843
Effect of foreign exchange rate changes	892	1,789
Cash and cash equivalents at the end of the period	244,468	370,071

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

1 General information

China Ruifeng Renewable Energy Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 23 June 2005 as an exempted company with limited liability under the Companies Law, Cap22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands.

The Company’s registered office is at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is Room 2801-2804, 28/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 9 June 2006. The Company and its subsidiaries are together referred to as the Group hereinafter.

The Company is an investment holding company of the Group. The Group are principally engaged in wind farm operations.

This condensed consolidated financial statement is presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated.

This condensed consolidated financial statement for the six months ended 30 June 2024 was unaudited but has been reviewed by the audit committee of the Company.

This condensed consolidated financial statement was approved for issue by the Board of Directors of the Company on 30 August 2024.

2 Basis of preparation and accounting policies

This condensed consolidated financial statements for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). This condensed consolidated financial statement does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, this condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”). The principal accounting policies adopted to prepare the condensed consolidated financial statements are consistent with those adopted to prepare the Company’s annual consolidated financial statements for the year ended 31 December 2023.

This condensed consolidated financial statements have been prepared under the historical cost convention, except for the financial assets at fair value through profit or loss and the financial assets at fair value through other comprehensive income, which are carried at fair value.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

2 Basis of preparation and accounting policies — Continued

The HKICPA has issued a number of amendments to HKFRSs that are first effective for its accounting year beginning on 1 January 2024. None of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this condensed consolidated financial statement.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to market risk (including price risk, foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

This condensed consolidated financial statement does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. There have been no changes in the risk management policies since 31 December 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

3 Financial risk management — Continued

3.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's assets and liabilities that are measured at fair value as at 30 June 2024 and 31 December 2023.

As at 30 June 2024 (unaudited)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through other comprehensive income:				
— unlisted investment	—	—	27,370	27,370
Financial assets at fair value through profit or loss:				
— listed investment	5,434	—	—	5,434
— unlisted investment	—	—	3,324	3,324
	5,434	—	30,694	36,128

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

3 Financial risk management — Continued

3.2 Fair value estimation — Continued

As at 31 December 2023 (audited)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through other comprehensive income:				
— unlisted investment	—	—	27,370	27,370
Financial assets at fair value through profit or loss:				
— listed investment	2,022	—	—	2,022
— unlisted investment	—	—	3,324	3,324
	2,022	—	30,694	32,716

There was no transfer of financial assets and liabilities between the fair value hierarchy classifications during the six months ended 30 June 2024 (year ended 31 December 2023: same).

The carrying amounts of the Group's financial assets and financial liabilities recorded at amortised cost in the condensed consolidated statement of financial position approximate to their fair values. The fair value for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments, unless the discounting effect is insignificant.

The Group's other assets and liabilities are carried at amortised cost, and their carrying values are a reasonable approximation of their fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

3 Financial risk management — Continued

3.2 Fair value estimation — Continued

Reconciliation for financial instruments carried at fair value based on significant unobservable input (level 3) are as follows:

Financial assets at fair value through other comprehensive income

	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the year ended 31 December 2023 RMB'000 (audited)
Opening balance	27,370	12,791
Addition	—	20,000
Fair value changes recognised in other comprehensive income	—	(5,421)
Closing balance	27,370	27,370
Unrealised gain recognised in the condensed consolidated statement of other comprehensive income attributable to balance at the end of the reporting period	—	(5,421)

Financial assets at fair value through profit or loss

	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the year ended 31 December 2023 RMB'000 (audited)
Opening balance	3,324	4,260
Fair value changes recognised in profit or loss	—	(936)
Closing balance	3,324	3,324
Unrealised loss recognised in the condensed consolidated statement of profit or loss attributable to balance at the end of the reporting period	—	(936)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

3 Financial risk management — Continued

3.2 Fair value estimation — Continued

The table below sets out information about significant inputs used at period end in measuring financial instruments categorised as level 3 in the fair value hierarchy.

As at 30 June 2024

	Exposure RMB'000 (unaudited)	Valuation techniques	Significant unobservable input	Sensitivity on estimate	
				Estimate	Impact RMB'000 (unaudited)
Unlisted equity investment at fair value through other comprehensive income	5,884	Market approach	Earnings before interest, taxes, depreciation, and amortisation ("EBITDA")	+5%/- 5%	603/(603)
Unlisted equity investment at fair value through other comprehensive income	21,486	Market approach	Probability that a proposed business combination will be consummated	+5%/- 5%	3,225/(3,225)
					3,828/(3,828)
Unlisted equity investment at fair value through profit or loss	3,324	Market approach	Revenue	+5%/- 5%	205/(205)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

3 Financial risk management — Continued

3.2 Fair value estimation — Continued

As at 31 December 2023

	Exposure RMB'000	Valuation techniques	Significant unobservable input	Sensitivity on estimate	
				Estimate	Impact RMB'000
Unlisted equity investment at fair value through other comprehensive income	5,884	Market approach	EBITDA	+5%/- 5%	603/(603)
Unlisted equity investment at fair value through other comprehensive income	21,486	Market approach	Probability that a proposed business combination will be consummated	+5%/- 5%	3,225/(3,225)
					3,828/(3,828)
Unlisted equity investment at fair value through profit or loss	3,324	Market approach	Revenue	+5%/- 5%	205/(205)

4 Critical accounting estimates and judgments

The preparation of this condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated financial statement, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

5 Segment information

The Group's chief operating decision maker, which has been identified as the Board of Directors, consider the segment from a business perspective and monitor the operating results of its operating segment for the purpose of making decisions about resource allocation and performance assessment.

During the six months ended 30 June 2024, the Group had one (2023: one) reportable operating segment, which was using wind turbine blades to generate electricity power in the PRC. Since this is the only operating segment of the Group, no further operating segment analysis thereof is presented.

Geographic Information

(a) Revenue from external customers

The Group's revenue from external customers by geographical area, which is determined by the country/region where the services were provided. The Group's revenue is all generated from the PRC.

(b) Non-current assets

The Group's non-current assets other than other receivables, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss by geographic area is as follows:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Hong Kong	6,913	4,322
The PRC	828,389	894,708
	835,302	899,030

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

5 Segment information — Continued

Key Customers

For the six months ended 30 June 2024, there was one customer (2023: one) which individually contributed over 10% of the Group's total revenue, the revenue contributed from this customer was as follows:

	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the six months ended 30 June 2023 RMB'000 (unaudited)
Customer A	171,128	190,165

6 Revenue

Revenue from contracts with customers within the scope of HKFRS 15, is as follows:

	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the six months ended 30 June 2023 RMB'000 (unaudited)
Recognised at a point in time:		
— Sales of electricity	125,113	139,018
— Tariff adjustment	46,015	51,147
— Sales of petroleum coke	2,474	—
	173,602	190,165

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

6 Revenue — Continued

Revenue mainly represents the wind power electricity sales to local grid company in the PRC for the six months ended 30 June 2024 and 2023.

For sales of electricity, the Group generally entered into power purchase agreements with local grid company which stipulate the price of electricity per watt hour. Revenue is recognised when control of the electricity has transferred, being at the point when electricity has generated and transmitted to the customer.

Generally, the receivables are due within 30 days from the date of billing, except for the tariff adjustment. The collection of such tariff adjustment is subject to the allocation of funds by relevant government authorities to local grid company.

The financial resource for the tariff adjustment is the national renewable energy fund that accumulated through a special levy on the consumption of electricity of end users. The PRC government is responsible to collect and allocate the fund to the state-owned local grid company for settlement to the wind power company.

Tariff adjustment is recognised as revenue and due from grid company in the PRC in accordance with the relevant power purchase agreements.

7 Expenses by nature

	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the six months ended 30 June 2023 RMB'000 (unaudited)
Auditor's remuneration		
— Non-audit services	194	373
Depreciation of property, plant and equipment	65,405	70,775
Depreciation of right-of-use assets	3,318	2,649
Employee benefit costs, including Directors' emoluments (Note 8)	24,686	22,875
Legal and professional fees	1,450	1,876
Repair and maintenance expenses	15,621	19,290
Consumable expenses	7,959	11,204
Cost of goods sold	2,440	—
Others	10,418	9,595
Total cost of sales and administrative expenses	131,491	138,637

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

8 Employee benefit costs, including Directors' emoluments

	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the six months ended 30 June 2023 RMB'000 (unaudited)
Directors' remuneration:		
— Salaries, wages and other benefits	2,917	3,110
— Contribution to defined contribution plans	19	21
	2,936	3,131
Other staff excluding Directors:		
— Salaries, wages and other benefits	21,643	19,676
— Contribution to defined contribution plans	107	68
	21,750	19,744
	24,686	22,875

9 Finance costs

	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the six months ended 30 June 2023 RMB'000 (unaudited)
Interest expense on bank loans and other loans	26,810	37,042
Interest expense on bonds	5,828	5,499
Interest expense on convertible bonds (Note 20(b))	30,971	27,848
Interest expense on notes payables	—	1,835
Interest expense on lease liabilities	156	152
	63,765	72,376

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

10 Income tax expense

No provision of Hong Kong Profits tax had been made as the Group's profit neither arises in, nor is derived from Hong Kong during the six months ended 30 June 2024 (2023: Nil).

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands (2023: Nil).

The applicable income tax rate to the Group's PRC subsidiaries is 25% during the six months ended 30 June 2024 and 2023.

The Law of the PRC Enterprise Income Tax and the Implementation Regulations also impose a withholding tax at 5–10%, unless reduced by a tax treaty or agreement, for dividends distributed by a PRC resident enterprise to its immediate holding company outside the PRC for earnings accumulated beginning on 1 January 2008.

An analysis of the income tax expense is as follows:

	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the six months ended 30 June 2023 RMB'000 (unaudited)
PRC Corporate income tax	16,145	14,788
Deferred income tax	(1,699)	(1,699)
	14,446	13,089

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

11 Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited) (Restated)
Loss attributable to the owners of the Company (RMB'000)	(36,818)	(29,431)
Weighted average number of ordinary shares in issue (in thousands) (Note)	1,662,365	713,415
Basic loss per share (RMB)	(0.022)	(0.041)

Note:

The weighted average number of ordinary shares for the six months ended 30 June 2023 has been adjusted and restated for the five-to-one share consolidation of the Company with effect on 6 July 2023 and for the bonus element in the rights issue completed during the year ended 31 December 2023 (Note 18).

(b) Diluted loss per share

Diluted loss per share was calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion/exercise of all dilutive potential ordinary shares. For the six months ended 30 June 2024, the Group has two (2023: three) categories of potential ordinary shares: convertible bonds and share options (2023: convertible bonds, share options and warrants).

The convertible bonds were assumed to have been converted into ordinary shares, and the net loss has been adjusted to eliminate the interest expenses.

For the share options a calculation has been done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

11 Loss per share — Continued

(b) Diluted loss per share — Continued

Convertible bonds and share options (2023: convertible bonds, share options and warrants) were not assumed to be exercised as they would have an anti-dilutive impact to the loss attributable to the owners of the Company for the six months ended 30 June 2024 and 2023. Accordingly, diluted loss per share for the six months ended 30 June 2024 and 2023 are same as that of basic loss per share.

12 Interim dividend

The Directors do not recommend any distribution of an interim dividend for the six months ended 30 June 2024 (2023: Nil).

13 Property, plant and equipment

For the six months ended 30 June 2024, the Group acquired and disposed of property, plant and equipment (including construction in progress) amounting to approximately RMB2,058,000 and RMB595,000, respectively (2023: approximately RMB537,000 and RMB65,000, respectively).

14 Right-of-use assets

Additions to the right-of-use assets during the six months ended 30 June 2024 were approximately RMB3,859,000 (2023: Nil).

Disposal of the right-of-use assets during the six months ended 30 June 2024 were approximately RMB415,000 (2023: approximately RMB520,000).

15 Interests in associates

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
At the beginning of the period/year	1,489	2,036
Share of losses for the period/year	(19)	(547)
At the end of the period/year	1,470	1,489

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

16 Interests in joint ventures

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
At the beginning of the period/year	3,061	—
Contribution	—	3,060
Share of profits for the period/year	1	1
At the end of the period/year	3,062	3,061

17 Trade and other receivables

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Trade receivables (Note a)	232,031	198,033
Less: provision for loss allowance	(2,030)	(2,030)
	230,001	196,003
Prepayments, deposits, and other receivables (Note b)	543,842	485,984
	773,843	681,987
Less: non-current proportion		
— Prepayments for acquisition of property, plant and equipment and investments	(163,776)	(133,776)
— Deposit for non-current other loans	(28,000)	(28,000)
	(191,776)	(161,776)
Current portion	582,067	520,211

The carrying amounts of the Group's trade and other receivables are denominated in RMB.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

17 Trade and other receivables — Continued

(a) Trade receivables

As at 30 June 2024, the Group has pledged certain of its trade receivables with carrying values of approximately RMB228,253,000 (31 December 2023: approximately RMB194,797,000) to secure its other loans (31 December 2023: other loans).

The Group's trade receivables are mainly sales of electricity receivable from local grid company. Generally, the receivables are due within 30 days from the date of billing, except for the tariff adjustment. The collection of such tariff adjustment is subject to the allocation of funds by relevant government authorities to local grid company, which therefore takes a relatively long time for settlement. The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Unbilled (<i>Note</i>)	215,715	165,403
Within three months	13,083	30,600
More than three months but within one year	1,203	—
More than one year	—	—
	230,001	196,003

Note: The amount represents the tariff adjustment receivables for the wind power plants operated by the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

17 Trade and other receivables — Continued

(a) Trade receivables — Continued

The ageing analysis of the trade receivables based on revenue recognition date is as follows:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Within three months	32,837	64,402
More than three months but within one year	79,132	69,685
More than one year	118,032	61,916
	230,001	196,003

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

At 30 June 2024, trade receivables of the Group amounting to approximately RMB2,030,000 (31 December 2023: approximately RMB2,030,000) were individually determined to be impaired and full provision had been made. These individually impaired receivables were outstanding for over 1 year as at 30 June 2024 and 31 December 2023 or related to customers that were in financial difficulties. The Group does not hold any collateral over these balances.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

17 Trade and other receivables — Continued

(b) Prepayments, deposits, and other receivables

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Other receivables	367,982	345,354
Less: provision for loss allowance	(201,427)	(201,427)
	166,555	143,927
Loan receivables	219,005	218,856
Less: provision for loss allowance	(66,642)	(66,642)
	152,363	152,214
Amount due from an associate	29,187	29,187
Less: provision for loss allowance	(29,187)	(29,187)
	—	—
Amount due from a non-controlling interest	16,178	14,923
Deposit for other loans	28,000	28,000
Prepayments	180,746	146,920
Total	543,842	485,984
Less: non-current portion		
— Prepayments for acquisition of property, plant and equipment and investments	(163,776)	(133,776)
— Deposit for non-current other loans	(28,000)	(28,000)
	(191,776)	(161,776)
Current portion	352,066	324,208

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

18 Share capital

	Notes	Number of shares '000	Amount RMB'000
Authorised			
As at 1 January 2023 (Audited), ordinary shares of HK\$0.01 each		10,000,000	87,912
Capital reorganisation			
— Share Consolidation	(i)(a)	(8,000,000)	—
— Increase in authorised share capital	(i)(b)	8,000,000	—
As at 31 December 2023 (Audited), 1 January 2024 (Audited) and 30 June 2024 (Unaudited) ordinary shares of HK\$0.05 each		10,000,000	87,912
Issued and fully paid			
As at 1 January 2023 (Audited), ordinary shares of HK\$0.01 each		2,049,141	17,884
Conversion of convertible bonds	20(b)(ii)	325,667	2,850
Capital reorganisation			
— Share Consolidation	(i)(a)	(1,899,847)	—
Issuance of shares under rights issue	(ii)	1,187,404	54,323
As at 31 December 2023 (Audited) and 1 January 2024 (Audited) and 30 June 2024 (Unaudited), ordinary shares of HK\$0.05 each		1,662,365	75,057

Note:

- (i) Pursuant to an ordinary resolution passed by shareholders at the extraordinary general meeting held on 4 July 2023, the Company's capital reorganisation involves the following:
 - (a) every five (5) existing shares in the issued and unissued shares of HK\$0.01 each would be consolidated into one (1) consolidated share of HK\$0.05 each ("**Consolidated Share(s)**") and became effective on 6 July 2023 ("**Share Consolidation**"); and
 - (b) following the Share Consolidation, the authorised share capital of the Company was increased from 2,000,000,000 Consolidated Shares to 10,000,000,000 Consolidated Shares, by the creation of 8,000,000,000 Consolidated Shares, and became effective on 6 July 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

18 Share capital — Continued

Note: — Continued

- (ii) In August 2023, the Company completed a rights issue at a price of HK\$0.18 per rights share on the basis of five rights shares for every two shares ("Rights Issue") and issued an aggregate of approximately 1,187,404,000 new ordinary shares of HK\$0.05 each to the shareholders and investors. Proceeds from the Rights Issue net of transaction costs of approximately HK\$1,100,000 amounted to approximately HK\$213,000,000.

19 Trade and other payables

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Trade payables	14,957	21,196
Interest payables	11,683	22,783
Payables on acquisition of property, plant, and equipment	12,219	12,190
Payables on acquisition of a subsidiary	13,143	13,143
Amounts due to directors	2,001	1,340
Amounts due to non-controlling interests	14,484	2,314
Amount due to an associate	1,629	681
Other payables and accruals	32,433	34,066
	102,549	107,713

The ageing analysis of the trade payables based on invoice date is as follows:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Within three months	14,395	20,826
More than three months but within one year	208	35
More than one year	354	335
	14,957	21,196

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

19 Trade and other payables — Continued

The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
RMB	88,705	76,323
HK\$	13,844	31,390
	102,549	107,713

20 Borrowings

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Bank loans, secured	1,344	1,433
Bonds	103,538	109,360
Notes payables (Note a)	7,935	7,749
Convertible bonds (Note b)	376,165	336,723
Other loans	977,350	1,059,800
Loans from related parties	4,470	4,470
Total	1,470,802	1,519,535
Less: non-current portion		
— Bank loans, secured	(1,065)	(1,181)
— Bonds	(7,536)	(29,582)
— Convertible bonds (Note b)	—	(336,440)
— Other loans	(799,002)	(867,620)
— Loans from related parties	—	(3,470)
	(807,603)	(1,238,293)
Current portion	(663,199)	281,242

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

20 Borrowings — Continued

(a) Notes payables

The balance represented the outstanding interest payable to lenders as at 30 June 2024 and 31 December 2023. The principal amount of the notes payables has been fully repaid as at 30 June 2024 and 31 December 2023.

(b) Convertible bonds

(i) 2022 Convertible Bonds

On 28 April 2022, the Company issued the convertible bonds in the principal amount of HK\$356,375,000 (the “**2022 Convertible Bonds**”) to Filled Converge Limited (“**Filled Converge**”), which would be used for the settlement of outstanding principal amount and interest payable by the Company to Filled Converge under the convertible bonds issued in 2019. The 2022 Convertible Bonds are due in 2025 and at an interest rate of 10% per annum, with the conversion rights to convert the outstanding principal amount of the 2022 Convertible Bonds into the shares at an initial conversion price of HK\$0.180 per conversion share.

The Company may demand early redemption of any amount of the outstanding principal amounts of the 2022 Convertible Bonds at any time from the issue date but not less than fourteen business days prior to the maturity date, having given not less than ten days’ notice (the “**Issuer Redemption Notice**”) to the bondholder. Early redemption of the 2022 Convertible Bonds will be made at (i) the principal amount of the redeemed 2022 Convertible Bonds plus any accrued and unpaid interest up to and including the date of Issuer Redemption Notice; and (ii) an amount equal to a gross yield to maturity of 15% per annum (calculated on the principal amount of the redeemed 2022 Convertible Bonds for the period from the issue date up to and including the date of redemption) minus all interest paid thereon on or prior to the date of the Issuer Redemption Notice.

Bondholders have the right on any business day during the conversion period to convert in whole or in part the outstanding principal amount of the 2022 Convertible Bonds in whole or in integral multiple of HK\$1,000 into conversion shares at an initial conversion price of HK\$0.180 per conversion share (subject to adjustments).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

20 Borrowings — Continued

(b) Convertible bonds — Continued

(i) 2022 Convertible Bonds — Continued

On initial recognition on 28 April 2022, the fair value of the equity component and liability component (determined using the prevailing market interest rate of similar non-convertible debts) of 2022 Convertible Bonds as a whole has been ascertained by an independent valuer, CNK International Asset Valuation Limited.

Interest expenses on the 2022 Convertible Bonds were calculated using the effective interest method by applying the effective interest rate of approximately 19.4% per annum to the respective liability component.

Pursuant to the 2022 Convertible Bonds instrument, if the 2022 Convertible Bonds are not redeemed on the maturity date, the conversion rights attached to the 2022 Convertible Bonds will revive or will continue to be exercisable up to, and including, the close of business on the date upon which the full amount of the moneys payable in respect of the 2022 Convertible Bonds have been duly and irrevocably received by the bondholders and, notwithstanding that the full amount of moneys payable in respect of such 2022 Convertible Bonds shall have been received by the bondholders before such conversion date or that the conversion period may have expired before such conversion date.

During the year ended 31 December 2023, the Company has completed the Share Consolidation and the Rights Issue. Accordingly, the conversion price and the number of the shares to be issued and allotted upon full exercise of the outstanding 2022 Convertible Bonds have been adjusted as follows:

	Immediately prior to the completion of Share Consolidation but before Rights Issue			Immediately after the completion of Share Consolidation but before Rights Issue			Immediately after the completion of Rights issue and Share Consolidation		
	Number of the shares to be issued and allotted upon full exercise of the outstanding 2022 Convertible Bonds	Conversion price (HK\$)		Adjusted number of the shares to be issued and allotted upon full exercise of the outstanding 2022 Convertible Bonds	Conversion price (HK\$)		Adjusted number of the shares to be issued and allotted upon full exercise of the outstanding 2022 Convertible Bonds	Conversion price (HK\$)	
Outstanding principal amount of the 2022 Convertible Bonds (HK\$)	356,375,000	1,979,861,111	0.18	395,972,222	0.9	494,278,779	0.721		

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

20 Borrowings — Continued

(b) Convertible bonds — Continued

(ii) 2023 Convertible Bonds

On 6 February 2023, the Company issued the convertible bonds in the principal amount of HK\$19,540,000 (the “**2023 Convertible Bonds**”) to Mr. Xu Yingjie (“**Mr. Xu**”). The 2023 Convertible Bonds are due in 2026 and at an interest rate of 7% per annum, which the conversion rights to convert the outstanding principal amount of the 2023 Convertible Bonds into the shares at an initial conversion price of HK\$0.06 per conversion share.

The Company may demand early redemption of any amount of the outstanding principal amounts of the 2023 Convertible Bonds at any time from the issue date but not less than fourteen business days prior to the maturity date, having given the Issuer Redemption Notice to the bondholder. Early redemption of the 2023 Convertible Bonds will be made at (i) the principal amount of the redeemed 2023 Convertible Bonds plus any accrued and unpaid interest up to and including the date of Issuer Redemption Notice; and (ii) an amount equal to a gross yield to maturity of 7% per annum (calculated on the principal amount of the redeemed 2023 Convertible Bonds for the period from the issue date up to and including the date of redemption) minus all interest paid thereon on or prior to the date of the Issuer Redemption Notice.

Bondholders have the right on any business day during the conversion period to convert in whole or in part the outstanding principal amount of the 2023 Convertible Bonds in whole or in integral multiples of HK\$1,000 into conversion shares at an initial conversion price of HK\$0.06 per conversion share (subject to adjustments).

On initial recognition on 6 February 2023, the fair value of the equity component and liability component (determined using the prevailing market interest rate of similar non-convertible debts) of 2023 Convertible Bonds as a whole has been ascertained by an independent valuer, CNK International Asset Valuation Limited.

Interest expenses on the 2023 Convertible Bonds were calculated using the effective interest method by applying the effective interest rate of approximately 24.0% per annum, to the respective liability component.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

20 Borrowings — Continued

(b) Convertible bonds — Continued

(ii) 2023 Convertible Bonds — Continued

Pursuant to the 2023 Convertible Bonds instrument, if the 2023 Convertible Bonds are not redeemed on the maturity date, the conversion rights attached to the 2023 Convertible Bonds will revive or will continue to be exercisable up to, and including, the close of business on the date upon which the full amount of the moneys payable in respect of the 2023 Convertible Bonds have been duly and irrevocably received by the bondholders and, notwithstanding that the full amount of moneys payable in respect of such 2023 Convertible Bonds shall have been received by the bondholders before such conversion date or that the conversion period may have expired before such conversion date.

On 28 April 2023, the 2023 Convertible Bonds with the principal amount of HK\$19,540,000 was fully converted into 325,666,666 ordinary shares at the conversion price of HK\$0.06 per share.

The movement of liability and equity component of the 2022 Convertible Bonds and 2023 Convertible Bonds for the period is set out as below:

	Liability component RMB'000	Equity component RMB'000	Total RMB'000
As at 1 January 2024	336,723	29,654	366,377
Interest expenses (Note 9)	30,971	—	30,971
Settlement of interest	—	—	—
Exchange realignment	8,471	—	8,471
As at 30 June 2024	376,165	29,654	405,819

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

21 Notes to the condensed consolidated statement of cash flows

(a) Cash generated from operations

	Notes	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the six months ended 30 June 2023 RMB'000 (unaudited)
Loss before income tax		(7,398)	(7,991)
Adjustments for:			
Depreciation of property, plant and equipment	7	65,405	70,775
Depreciation of right-of-use assets	7	3,318	2,649
Interest income		(4,104)	(3,641)
Finance costs	9	63,765	72,376
Loss on disposal of property, plant and equipment		91	49
Share of losses of associates		19	326
Share of profits of joint ventures		(1)	—
Fair value losses/(gains) on financial assets at fair value through profit or loss		789	(32)
Operating profit before working capital changes		121,884	134,511
Changes in working capital:			
Financial assets at fair value through profit or loss		(4,456)	—
Trade and other receivables		(62,120)	(64,159)
Amount due from a non-controlling interest		—	(3,001)
Trade and other payables		(7,873)	6,549
Amounts due to directors		661	(7,075)
Cash generated from operations		48,096	66,825

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

21 Notes to the condensed consolidated statement of cash flows — Continued

(b) Major non-cash transaction

During the six months ended 30 June 2023, the Group completed the acquisition of an investment, resulting in a transfer of prepayments for investments of RMB20,000,000 to financial assets at FVOCI.

22 Deemed acquisition of additional interest in a subsidiary

In May 2024, the non-controlling interest of the non-wholly owned subsidiary, Hebei Ruifeng Energy Technology Co., Ltd.* (河北瑞風能源科技有限公司) (“**Hebei Ruifeng**”), surrendered its registered share capital in Hebei Ruifeng with no consideration. The non-controlling interest has not yet paid up any share capital. Accordingly, the shareholding in Hebei Ruifeng controlled by a non-wholly owned subsidiary of the Group has increased from 70% to 100%.

23 Related party transactions

Save as the transactions and balances disclosed elsewhere in the condensed consolidated financial statements and the followings, the Group did not enter into any other material related party transaction.

Key management compensation

The executive directors of the Company are regarded as key management. Details of the key management compensation are disclosed in Note 8 to the condensed consolidated financial statements.

24 Commitments

As at 30 June 2024, capital commitments outstanding not provided for in the condensed consolidated financial statements were as follows:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Acquisition of property, plant and equipment — Contracted for	43,969	42,951

25 Comparative Figures

Certain comparative figures have been reclassified to conform the current period's presentation of the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

26 Events after the reporting period

Save as disclosed elsewhere in the condensed consolidated financial statements, the followings are other events after the date of financial position.

(a) Proposed share subscriptions and convertible bonds subscriptions and possible acquisition of 50% equity interest in Hebei Jiaotou Deneng Energy Co. Ltd* (河北交投德能能源有限公司) ("Hebei Jiaotou Deneng")

Proposed share subscriptions

On 26 January 2024, the Company entered into share subscription agreement with Hebei Provincial Expressway Development Co., Ltd.* (河北高速公路開發(集團)有限公司) ("Hebei Provincial Expressway"), pursuant to which Hebei Provincial Expressway has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue 590,615,905 subscription shares for a consideration of RMB106,310,863 (equivalent to approximately HK\$115.8 million) under specific mandate.

On 21 June 2024, the Company entered into subscription agreement with Atlantis New Hong Kong Equity Fund Limited ("Atlantis"), pursuant to which Atlantis has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue 119,437,859 subscription shares for a consideration of HK\$23,409,820 (equivalent to approximately RMB21.5 million) under specific mandate.

The Share subscriptions have not yet been completed as at the date of this report.

Proposed convertible bonds subscriptions

On 26 January 2024, the Company entered into convertible bonds subscription agreement with Hebei Provincial Expressway, pursuant to which Hebei Provincial Expressway has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue the convertible bonds in a principal amount of RMB933,689,137 (equivalent to approximately HK\$1,016.7 million), which may be converted into 5,187,161,873 conversion shares at the initial conversion price of RMB0.18 per conversion share (equivalent to approximately HK\$0.196 per conversion share) under specific mandate.

On 21 June 2024, the Company entered into convertible bonds subscription agreements with Atlantis and TradArt Flagship Investment SPC — Growth Engine Fund SP ("TradArt"), respectively, pursuant to which, among other things, each of Atlantis and TradArt has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the convertible bonds in a principal amount of HK\$161,701,291 (equivalent to approximately RMB148.5 million) and HK\$98,000,000 (equivalent to approximately RMB90.0 million), respectively, which may be converted into 825,006,585 conversion shares and 500,000,000 conversion shares at the initial conversion price of HK\$0.196 (equivalent to approximately RMB0.18) per conversion share under specific mandate.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

26 Events after the reporting period — Continued

- (a) **Proposed share subscriptions and convertible bonds subscriptions and possible acquisition of 50% equity interest in Hebei Jiaotou Deneng Energy Co. Ltd*** (河北交投德能能源有限公司) (“**Hebei Jiaotou Deneng**”) — Continued

Proposed convertible bonds subscriptions — Continued

The convertible bonds subscriptions have not yet been completed as at the date of this report.

Possible acquisition of 50% equity interest in Hebei Jiaotou Deneng

On 26 January 2024, the Company entered into a non-legally binding equity transfer framework agreement with the vendors (Hebei Shengde Jichu Sheshi Jianshe Kaifa Co., Ltd* (河北晟德基礎設施建設開發有限公司) and Hebei Province Jijiao Energy Co., Ltd* (河北省冀交能源有限公司)), pursuant to which, the vendors intended to sell and the Company intended to purchase, 50% equity interest in Hebei Jiaotou Deneng, at a proposed consideration of not more than RMB7.5 million (equivalent to approximately HK\$8.2 million) to be payable in full in cash by the Company.

The acquisition has not yet been completed as at the date of this report.

- (b) **Capital injection and acquisition of equity interest of Jiujiu Renewable Energy Investment (Guangzhou) Company Limited*** (九嘉新能源投資(廣州)有限公司) (“**Jiujiu Renewable**”)

In July 2024, the Company, Zhuhai Hengqin Jiujiu Project Management Enterprise (Limited Partnership)* (珠海橫琴九嘉項目管理企業(有限合夥)) (“**Zhuhai Hengqin Jiujiu**”), Guangzhou Ruibo Longxin Industrial Company Limited* (廣州市瑞博龍新實業有限公司) (“**Guangzhou Ruibo**”) and Jiujiu Renewable entered into the capital injection agreement, pursuant to which the Company has conditionally agreed to make the capital injection of RMB55.2 million into Jiujiu Renewable. After the acquisition, the Company will hold 60% of the enlarged registered capital in Jiujiu Renewable. The acquisition was completed on 15 July 2024 and the Group has injected RMB30 million into Jiujiu Renewable up to the date of this interim report.

* For identification purposes only