



XINYI ENERGY HOLDINGS LIMITED 信義能源控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

Stock Code : 03868



INTERIM REPORT **2024**

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. LEE Shing Put, B.B.S. (Chairman)⁰⁻⁼⁻

Tan Sri Datuk TUNG Ching Sai

P.S.M, D.M.S.M, J.P. (Vice Chairman)^{0<}

Mr. TUNG Fong Ngai

(Chief Executive Officer)[^]

Mr. LEE Yau Ching⁼

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LEUNG Ting Yuk^{*0<=}

The Hon. IP Kwok Him, G.B.M.,

G.B.S., J.P. ^{#+<=}

Ms. LYU Fang^{#0<=}

* Chairman of audit committee

Members of audit committee

+ Chairman of remuneration committee

0 Members of remuneration committee

~ Chairman of nomination committee

< Members of nomination committee

^ Chairman of acquisition committee

= Members of acquisition committee

COMPANY SECRETARY

Mr. TUEN Ling, CPA

(resigned on 1 July 2024)

Mr. CHU Charn Fai, CPA

(appointed on 1 July 2024)

REGISTERED OFFICE

Jayla Place

Wickhams Cay I

Road Town

Tortola, VG1110

British Virgin Islands

PRINCIPAL PLACE OF BUSINESS IN CHINA

No. 102, Meidiya Road

E Qiao Town

Sanshan District

Wuhu City

Anhui Province

China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2118-2120, 21/F

Rykadan Capital Tower

No. 135 Hoi Bun Road

Kwun Tong, Kowloon

Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

Squire Patton Boggs

Suite 3201

One Island East

Taikoo Place

Quarry Bay

Hong Kong

AUDITOR

PricewaterhouseCoopers,

Certified Public Accountants and

Registered PIE Auditor

22nd Floor, Prince's Building

Central, Hong Kong

CORPORATE INFORMATION

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited
Ciyu Bank Corporation Limited
DBS Bank (Hong Kong) Limited
China Citic Bank
Huishang Bank Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BRITISH VIRGIN ISLANDS

Ocorian Corporate Services (BVI) Limited
Jayla Place, Wickhams Cay I
PO Box 3190
Road Town, Tortola, VG1110
British Virgin Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited
Shops 1712-16, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

WEBSITE

<https://www.xinyienergy.com>

SHARE INFORMATION

Place of listing: Main Board of The Stock
Exchange of Hong Kong Limited
Stock code: 03868
Listing date: 28 May 2019
Board lot: 2,000 ordinary shares
Financial year end date: 31 December
Share price as of the date of this interim
report: HK\$0.89
Market capitalisation as of the date of this
interim report:
Approximately HK\$7.35 billion

KEY DATES

Closure of register of members:
Thursday, 15 August 2024 to Monday,
19 August 2024 (both days inclusive)
Proposed interim dividend payable date:
On or about Wednesday,
16 October 2024

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	Year ended 31 December	
	2024 HK\$'million (Unaudited)	2023 HK\$'million (Unaudited)	2023 HK\$'million (Audited)
Revenue	1,218.4	1,288.6	2,517.4
Profit attributable to equity holders of the Company	394.5	566.9	993.0
Dividends	189.9	279.1	493.8
(in HK cents)			
Earnings per Share			
– basic and diluted	4.78	7.48 ⁽¹⁾	12.56
Dividend per Share	2.3	3.4	6.0

	At 30 June	At 31 December	
	2024 HK\$'million (Unaudited)	2023 HK\$'million (Unaudited)	2023 HK\$'million (Audited)
Equity attributable to equity holders of the Company	12,999.7	12,697.2	13,296.8

Note:

- (1) Basic earnings per share for the six months ended 30 June 2023 has been restated taking into consideration the effect of the rights issue of the Company completed on 1 June 2023.

CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Xinyi Energy Holdings Limited (the "**Company**" together with its subsidiaries, the "**Group**" or "**Xinyi Energy**"), I am pleased to present the unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2024 (the "**1H2024**"), together with the comparative figures for the six months ended 30 June 2023 (the "**1H2023**").

OVERVIEW

The polysilicon prices in the People's Republic of China (the "**PRC**") have experienced significant decreases since the second quarter of 2023. Such decreases have resulted in the reductions in the prices and installation costs of the photovoltaic ("**PV**") module in solar farm projects in the PRC. Hence, the number of completed solar farms has increased significantly during the 1H2024. During the year ended 31 December 2023 and the 1H2024, the newly installed PV capacity in the PRC reached 217 gigawatts ("**GW**") and 102 GW, respectively. This growth has elevated the solar energy to become the second-largest power source in the PRC, surpassing the electricity generated by the hydropower. The rapid construction of the PV power stations has also resulted in temporary imbalance and hindered the grid from fully accommodating solar-generated electricity. As a result, the Group incurred electricity curtailment loss due to grid consumption constraints.

The energy Bureaus in certain PRC provinces require the solar power farms to participate in market-based electricity trading (the "**Market-Based Electricity Trading**") in order to promote the healthy development of the solar power industry. For the purpose of increasing efficiency and reducing costs, prices are set by the market demand and competition. As some of the trading tariffs of some of the Market-Based Electricity Trading were moderately lower than the feed-in-tariffs (the "**Fit**") and the number of solar power farms participating in the Market-Based Electricity Trading increased during the 1H2024, the revenue of the Group experienced decreases during the 1H2024. As of 30 June 2024, the aggregate approved capacity of the solar farm projects operated and owned by the Group was 3,850.5 megawatts ("**MW**"), as compared to 3,650.5 MW as of 31 December 2023.

CHAIRMAN'S STATEMENT

The revenue of the Group recorded a decrease of 5.4% to HK\$1,218.4 million during the 1H2024, as compared to HK\$1,288.6 million for the 1H2023. The profit attributable to the equity holders of the Company decreased by 30.4% to HK\$394.5 million. During the 1H2024, the basic earnings per share attributable to the equity holders of the Company was 4.78 HK cents, as compared to 7.48 HK cents for the 1H2023.

BUSINESS REVIEW

Revenue contribution in the 1H2024

During the 1H2024, the total electricity generated by the solar farm projects owned and operated by the Group slightly increased by 7.4%, as compared to the 1H2023, primarily due to the acquisition of one utility-scale solar farm project during the 1H2024 and commencement of operation of the 2023 Portfolio. The amount of revenue contributed from the 2023 Portfolio amounted to HK\$91.4 million during the 1H2024. The Group's revenue decreased slightly by 5.4% in the 1H2024, as compared to the 1H2023, primarily due to the exchange rate between Renminbi ("**RMB**") and Hong Kong Dollar ("**HK\$**") (representing a year-on-year decrease of 4.2%), electricity curtailment loss due to grid consumption constraints and the increase in the number and the volume of the Market-Based Electricity Trading, which fully offset the growth in the electricity generation during the 1H2024.

Capacity expansion of solar farm projects in the 1H2024

During the 1H2024, the Group completed the acquisition from Xinyi Solar Holdings Limited ("**Xinyi Solar**"), the ultimate holding company of the Company, of one utility-scale solar farm project with an approved capacity of 200 MW located in Guangdong Province. Benefiting from the low installation costs, the Group aims to complete its annual acquisition plan from Xinyi Solar, ensuring a steady growth in the aggregate electricity generation capacity for the remainder of 2024. Additionally, the Group will continue to identify new solar farm projects, not only in the PRC but also in other overseas markets, taking into account of the factors such as electricity curtailment losses, Market-Based Electricity Trading, areas with high power consumptions and stable high return, to continue to contribute the investment return to the Group.

CHAIRMAN'S STATEMENT

In the recent years, the Group has focused on the investment in grid-parity solar farm projects, reducing its reliance on the FiT regime and providing a better predictability in the future cash flows. During the 1H2024, the sales of electricity contributed 57.3% of the revenue of the Group, as compared to 56.4% for the 1H2023. The operating cash flow of the Group has been improved progressively with the increase in the number of the solar farm projects under the grid-parity regime.

BUSINESS OUTLOOK

In May 2024, the State Council of the PRC issued the "2024-2025 Energy Conservation and Carbon Reduction Action Plan" (《2024-2025年節能降碳行動方案》)(the "**Action Plan**"). The Action Plan aims to lay a solid foundation for achieving the goals of carbon peaking and carbon neutrality for the "14th Five-Year Development Plan for Renewable Energy" (《“十四五”可再生能源發展規劃》). The Action Plan also proposes the increase in the development of non-fossil energy and grid consumption capacity of renewable energy. By 2025, the percentage of the use of non-fossil energy in the PRC is expected to reach around 39%.

In May 2024, the "Notice on Ensuring the High-Quality Development of New Energy by Improving New Energy Consumption and Enhancing the Capacity of Power Systems" (《關於做好新能源消納工作保障新能源高質量發展的通知》)(the "**Notice**") was issued by the National Energy Administration of the PRC. The Notice outlines various methods, including accelerating the construction of new energy grid projects, optimising grid connection processes, improving system regulation capabilities, promoting electricity market mechanisms, and scientifically optimising new energy utilisation targets. The Notice emphasises the improvement to the current new energy consumption capacity, and it is believed that electricity curtailment losses will gradually decrease.

In February 2024, the Group entered into four sale and purchase agreements with four wholly-owned subsidiaries of Xinyi Solar, pursuant to which the Group agreed to acquire a total of eight utility-scale solar farm projects, with an aggregate approved capacity of 790 MW within an agreed timeframe. The Group will continue to analyse carefully the cash flows and the associated returns to the shareholders (the "**Shareholders**") of the Company before making any acquisition. The Group will also make sure that its financial stability is consistent with a reasonable profitability. The acquisition plan of those solar farm projects is expected to be commenced at the third quarter of 2024.

CHAIRMAN'S STATEMENT

Since the global interest rates are generally higher than those in the PRC, the use of the domestic bank borrowings in the PRC in financing the acquisition of the solar farm projects from Xinyi Solar can reduce the finance costs of the Group, as compared with the offshore bank borrowings. The Group increased the drawdown from the domestic bank borrowings during the 1H2024. As of 30 June 2024, 21.9% of the total bank borrowings were denominated in RMB and the effective interest rate per annum was dropped to 4.7%. During the 1H2024, the Group strategically refinanced its short-term bank borrowings by long-term ones. This move is aimed to alleviate the short-term financing pressure while ensuring the financial stability in the anticipation of the future challenges. As of 30 June 2024, there was only 40.2% of the bank borrowings of the Group were short-term, as compared to 58.0% as of 31 December 2023.

The decline in the PV module prices and installation costs has spurred completion of more solar farm projects in the PRC. However, this expansion has created temporary imbalance, impacting the grid's capacity to fully accommodating solar-generated electricity. The Group expects that electricity curtailment loss will continue throughout the year.

As more policies are introduced by the PRC government, efforts to tackle the electricity consumption issues are intensifying. The Directors believe that there will be improvements in the issues of the electricity consumption. Moreover, the Group intends to improve its financial position by increasing the utilisation of the domestic bank borrowings in the PRC to reduce the finance costs and replacing the short-term with the long-term bank borrowings to enhance the cash flows and the investment returns to the Shareholders.

LEE Shing Put, B.B.S.

Chairman

Hong Kong, 31 July 2024

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the 1H2024, the Group's revenue was mainly derived from two core businesses, namely (i) solar power electricity generation and (ii) provision of solar farm operation and management services. During the 1H2024, the amount of revenue from the solar power electricity generation slightly decreased, as compared to the 1H2023, due to the (i) electricity curtailment losses due to grid consumption constraints; (ii) increase in the number and the volume of the Market-Based Electricity Trading; and (iii) change in the exchange rate between RMB and HK\$ in the 1H2024.

The table below sets forth an analysis of the Group's revenue in the 1H2024, as compared to the 1H2023.

	1H2024		1H2023		Change	
	HK\$' million	%	HK\$' million	%	HK\$' million	Increase/ (decrease) in %
Sales of electricity	698.3	57.3	727.5	56.4	(29.2)	(4.0)
Tariff adjustment	513.7	42.2	556.2	43.2	(42.5)	(7.6)
	1,212.0	99.5	1,283.7	99.6	(71.7)	(5.6)
Operation and management services	6.4	0.5	4.9	0.4	1.5	31.6
Total	1,218.4	100.0	1,288.6	100.0	(70.2)	(5.4)

The Group's revenue contributed by the sales of electricity and tariff adjustments decreased by 4.0% to HK\$698.3 million and 7.6% to HK\$513.7 million, respectively, as compared to the 1H2023. The decreases were due to (i) the impact of grid consumption constraints; (ii) increase in the number and the volume of the Market-Based Electricity Trading; and (iii) change in the exchange rate between RMB and HK\$, partially offset by the full performance and contribution of the 2023 Portfolio.

MANAGEMENT DISCUSSION AND ANALYSIS

During the 1H2024, the Group's revenue from solar power electricity generation was contributed by the following solar farm projects:

Solar farm projects	Location in the PRC	Approved capacity (MW)
Initial solar farm projects owned and operated by the Group	Nine solar farm projects located in Anhui Province, Fujian Province, Hubei Province and Tianjin Municipality	954
Solar farm projects newly added in 2019 ("2019 Portfolio")	Six solar farm projects located in Anhui Province, Hubei Province and Henan Province	540
Solar farm projects newly added in 2020 ("2020 Portfolio")	Five solar farm projects located in Anhui Province, Hubei Province and Guangdong Province	340
Solar farm projects newly added in 2021 ("2021 Portfolio")	Eight solar farm projects located in Anhui Province, Hubei Province, Hebei Province and Guangdong Province	660
Solar farm projects newly added in 2022 ("2022 Portfolio")	Seven solar farm projects located in Hubei Province, Hebei Province, Shaanxi Province and Inner Mongolia Autonomous Region	520
Solar farm projects newly added in 2023 ("2023 Portfolio")	Four solar farm projects located in Hainan Province, Guangdong Province and Anhui Province	636.5
Solar farm project newly added in the 1H2024 ("2024 Portfolio")	Zhanjiang Solar Farm in Guangdong Province	200
Total		3,850.5

MANAGEMENT DISCUSSION AND ANALYSIS

During the 1H2024, the Group's revenue generated from the provision of solar farm operation and management services amounted to HK\$6.4 million, which represented 0.5% of the total revenue. Pursuant to the Solar Farm Operation and Management Agreement, Xinyi Solar has agreed to engage the Group to operate and manage its connection-ready solar farm projects. All of the revenue in the 1H2024 generated from the services was charged on normal commercial terms taking into consideration factors such as service quality, work efficiency and price, as compared to the services provided to independent third parties.

Cost of sales

The Group's cost of sales increased by 13.5% to HK\$435.9 million during the 1H2024 from HK\$384.0 million during the 1H2023. The increase was mainly due to the increase in (i) the depreciation charge of property, plant and equipment and right-of-use assets of the 2023 Portfolio; (ii) electricity costs; and (iii) repair and maintenance expenses.

During the 1H2024, the Group achieved a more efficient operation with reduced costs through the implementation of a series of sophisticated management systems for local management of the individual solar farms and a nationwide centralised surveillance system. Overall, there was no significant difference between the Group's average cost of sales per MW of approved capacity used in the 1H2024 with the 1H2023.

Gross profit

The Group's gross profit decreased by HK\$122.1 million, or 13.5%, to HK\$782.5 million during the 1H2024, from HK\$904.6 million during the 1H2023. The decrease was primarily due to the decrease in the amount of revenue and the increase in the costs of sales. The gross profit margin decreased to 64.2% during the 1H2024 from 70.2% during the 1H2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income

During the 1H2024, other income increased by HK\$5.2 million to HK\$9.8 million, as compared to HK\$4.6 million during the 1H2023. The increase was mainly due to increase in (i) the receipt from the PRC government grants and (ii) the miscellaneous income, partially offset by the decrease in the receipt of the amount of insurance compensation during the 1H2024.

Other gains, net

During the 1H2024, other gains, net significantly decreased by HK\$8.7 million to HK\$4.1 million, as compared to HK\$12.8 million during the 1H2023. The significantly decrease was mainly due to the decrease in (i) the interest income from financial assets at fair value through profit or loss and (ii) foreign exchange gains.

Administrative expenses

The Group's administrative expenses decreased by HK\$3.5 million, from HK\$28.0 million during the 1H2023 to HK\$24.5 million during the 1H2024. The decrease was mainly due to the Group's measures on cost control, which was partially offset by the increase in the employee benefit expenses.

Finance costs

The total finance costs of the Group amounted to HK\$197.7 million during the 1H2024, as compared to HK\$162.6 million during the 1H2023. The interest expenses on bank borrowings significantly increased from HK\$119.4 million during the 1H2023 to HK\$173.5 million during the 1H2024. The increase was mainly due to the increase in the balance of interest-bearing bank borrowings even though at lower effective interest rates.

The interest component on the lease liabilities slightly increased from HK\$22.4 million to HK\$24.2 million due to the completion of the acquisition of the 2023 Portfolio. During the 1H2024, the Group did not incur any imputed interest expenses on the deferred payment of the consideration of the acquisition of the 2019 Portfolio, as such amount has been fully settled in 2023, as compared to HK\$20.8 million during the 1H2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Income tax expense

The Group incurred income tax expense of HK\$175.8 million during the 1H2024, as compared to HK\$158.0 million during the 1H2023. The increase was principally due to (i) 16 solar farm projects (1H2023: 14) commenced the full payment of the PRC corporate income tax at the statutory rate of 25% and (ii) the increase in the amount of the PRC withholding tax of HK\$24.8 million on the dividends remitted from the PRC subsidiaries incurred during the 1H2024, partially offset by the impact of the decrease in profit before income tax of the solar farm projects which subjected to the payment of the PRC corporate income tax.

EBITDA and net profit

During the 1H2024, the EBITDA (earnings before interest, taxation, depreciation and amortisation) was HK\$1,128.1 million, representing a decrease of 6.7%, as compared to HK\$1,208.9 million during the 1H2023.

Net profit attributable to equity holders of the Company during the 1H2024 was HK\$394.5 million, representing a decrease of 30.4%, as compared to HK\$566.9 million during the 1H2023. The decrease in the net profit margin from 44.0% during the 1H2023 to 32.4% during the 1H2024 was primarily due to the decrease in the amount of revenue and the increase in (i) the depreciation charge of property, plant and equipment and right-of-use assets; (ii) the finance costs; and (iii) the income tax expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2024, the Group's total assets increased by 1.8% to HK\$21,504.1 million and its net assets decreased by 2.2% to HK\$13,010.4 million. The Group's current ratio as of 30 June 2024 was 1.5, as compared to 1.2 as of 31 December 2023. Such slight increase was due to (i) the increase in the amount of trade and other receivables; (ii) the increase in the amount due from an investment accounted for using the equity method; and (iii) the decrease in the current portion of the bank borrowings, which was partially offset by (i) the decrease in the amount of cash and cash equivalents; (ii) payable of the final dividend for the year ended 31 December 2023; and (iii) the increase in the amount of accruals and other payable.

The Group's net gearing ratio (bank borrowing minus cash and cash equivalents divided by total equity) as of 30 June 2024 was 47.3%, as compared to 42.3% as of 31 December 2023. The increase was mainly due to the decrease in the amount of cash and cash equivalents and the increase in the amount of bank borrowings.

As of 30 June 2024, the Group's financial position remained healthy, with the cash and cash equivalents of HK\$472.1 million. During the 1H2024, the net cash generated from the operating activities was HK\$170.4 million (1H2023: HK\$176.0 million), which was primarily attributable to the profit before income tax of HK\$570.9 million and partially offset by the increase in (i) trade and other receivables; (ii) interest paid; and (iii) income tax paid. Net cash used in investing activities amounted to HK\$665.6 million (1H2023: HK\$1,661.8 million), which was primarily attributable to (i) the payment for capital expenditure for 2023 Portfolio and 2024 Portfolio during the 1H2024; (ii) the settlement of the outstanding capital expenditure for the solar farm projects which had previously completed construction during the 1H2024; and (iii) advance to an investment accounted for using the equity method. Net cash generated from financing activities amounted to HK\$334.0 million (1H2023: HK\$490.5 million) which was primarily attributable to the new bank borrowing of HK\$2,338.4 million through partially offset by repayment of bank borrowings of HK\$1,958.6 million.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL EXPENDITURES AND COMMITMENTS

During the 1H2024, the Group incurred capital expenditures of HK\$629.8 million, which were mainly used in (i) the acquisition and further refinement of the existing and newly added solar farm projects and (ii) the settlement of outstanding capital expenditures of the existing solar farm projects. As of 30 June 2024, the Group did not have other capital commitments (31 December 2023: Nil).

PLEDGE OF ASSETS

The Group did not have any pledged asset as security for bank borrowings as of 30 June 2024.

CONTINGENT LIABILITIES

As of 30 June 2024, the Group did not have any significant contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

In June 2024, the Group completed the acquisition of a solar farm project with an approved capacity of 200 MW in the PRC by way of completing the transfer of all issued shares of Xinchuang Renewable Energy (Lianjiang) Limited (信創新能源(廉江)有限公司) pursuant to the sale and purchase agreement dated 28 April 2023.

Save as disclosed above, there was no material acquisition and disposal of subsidiaries for the 1H2024.

TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group's solar farm projects are in the PRC with most of the transactions denominated and settled in RMB. The financial performance and assets value could be affected by the exchange rate fluctuation between RMB and HKD. The Group may use financial instruments for hedging purposes when faced with material difficulties and liquidity problems resulting from currency exchange rate fluctuation.

MANAGEMENT DISCUSSION AND ANALYSIS

All of the revenue generated from the solar farm projects is denominated in RMB and the majority of the bank borrowings are denominated in HKD. As part of the treasury policies, the Group would strike a deliberate balance between the risk of currency mismatch and the interest rate differentials in HKD and RMB borrowings. As of 30 June 2024, 78.1% and 21.9% of the bank borrowings were denominated in HKD and RMB, respectively.

During the 1H2024, the Group has not experienced any material difficulties and liquidity problems resulting from the currency exchange rate fluctuation. However, the Group may use financial instruments for hedging purposes as and when required. During the 1H2024, the Group did not use any financial instrument for hedging purpose.

EMPLOYEES AND REMUNERATION POLICY

The Group highly values its employees, sharing mutual benefits and growth with them. The Group constantly explores each employee's potential and ability. Likewise, the Group will continue to hire new employees when appropriate to support business development.

As of 30 June 2024, the Group had 387 full-time employees in total in Hong Kong and the PRC. Total staff costs, including Directors' emoluments were HK\$32.9 million for the 1H2024. The employees are remunerated based on their qualifications, job nature, performance and work experiences, while taking reference from the prevailing market rate. Apart from the basic remuneration and discretionary bonus, the Group also provides a mandatory provident fund scheme to employees in Hong Kong and statutory social welfare contribution to employees in the PRC, while adhering to the local laws and regulations.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

During the 1H2024, there has been no material change in the capital structure of the Company. The capital of the Group companies is the ordinary shares.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in note 17 to the condensed consolidated financial information in this interim report, there was no significant event affecting the Group which occurred after 30 June 2024 and up to the date of this interim report.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
	Note	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	3	1,218,405	1,288,554
Cost of sales		(435,949)	(383,973)
Gross profit		782,456	904,581
Other income	3	9,788	4,577
Other gains, net	4	4,048	12,780
Administrative expenses		(24,450)	(27,997)
Net impairment losses on financial assets		(6,003)	(7,924)
Operating profit	5	765,839	886,017
Finance income	6	2,791	2,275
Finance costs	6	(197,716)	(162,555)
Share of net losses of investments accounted for using the equity method		(8)	—
Profit before income tax		570,906	725,737
Income tax expense	7	(175,795)	(158,028)
Profit for the period		395,111	567,709
Profit for the period attributable to:			
– Equity holders of the Company		394,522	566,855
– Non-controlling interests		589	854
		395,111	567,709
Earnings per share attributable to the equity holders of the Company			
(Expressed in HK cents per share)			(Restated)
– Basic and diluted	8	4.78	7.48

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Profit for the period	395,111	567,709
Other comprehensive loss, net of tax:		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	(477,431)	(646,594)
Share of other comprehensive loss of investments accounted for using the equity method		
– Share of currency translation differences	(1)	–
Total comprehensive loss for the period	(82,321)	(78,885)
Total comprehensive (loss)/income for the period attributable to:		
– Equity holders of the Company	(82,465)	(79,149)
– Non-controlling interests	144	264
	(82,321)	(78,885)

CONDENSED CONSOLIDATED BALANCE SHEET

		As at	
	Note	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	10	15,001,619	15,007,874
Right-of-use assets		769,850	740,872
Prepayments for property, plant and equipment	11	24,102	13,537
Deferred income tax assets		61,400	58,597
Investments accounted for using the equity method		720	—
Goodwill		333,520	342,228
Total non-current assets		16,191,211	16,163,108
Current assets			
Trade and other receivables and prepayments	11	4,797,108	4,312,559
Amounts due from fellow subsidiaries	15	2,231	998
Amount due from an investment accounted for using the equity method	15	29,786	—
Restricted cash		11,590	11,889
Cash and cash equivalents		472,140	645,009
Total current assets		5,312,855	4,970,455
Total assets		21,504,066	21,133,563
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	12	82,566	82,566
Other reserves		6,077,952	6,762,895
Retained earnings		6,839,221	6,451,345
		12,999,739	13,296,806
Non-controlling interests		10,656	10,512
Total equity		13,010,395	13,307,318

CONDENSED CONSOLIDATED BALANCE SHEET

		As at	
	Note	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Bank borrowings	14	3,965,726	2,633,905
Lease liabilities		735,932	718,901
Other payables	13	16,652	15,703
Deferred income tax liabilities		270,366	284,266
Total non-current liabilities		4,988,676	3,652,775
Current liabilities			
Bank borrowings	14	2,662,249	3,636,561
Lease liabilities		46,715	47,762
Accruals and other payables	13	453,320	404,564
Dividend payable		214,671	—
Amounts due to fellow subsidiaries	15	47,185	34,983
Current income tax liabilities		80,855	49,600
Total current liabilities		3,504,995	4,173,470
Total liabilities		8,493,671	7,826,245
Total equity and liabilities		21,504,066	21,133,563

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company					
	Share capital <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Balance at 1 January 2024 <i>(Audited)</i>	<u>82,566</u>	<u>6,762,895</u>	<u>6,451,345</u>	<u>13,296,806</u>	<u>10,512</u>	<u>13,307,318</u>
Comprehensive income						
Profit for the period	–	–	394,522	394,522	589	395,111
Other comprehensive loss						
Currency translation differences	–	(476,986)	–	(476,986)	(445)	(477,431)
Share of other comprehensive loss of investments accounted for using the equity method	<u>–</u>	<u>(1)</u>	<u>–</u>	<u>(1)</u>	<u>–</u>	<u>(1)</u>
Total comprehensive (loss)/ income for the period	<u>–</u>	<u>(476,987)</u>	<u>394,522</u>	<u>(82,465)</u>	<u>144</u>	<u>(82,321)</u>
Transactions with the owner of the Company						
Employees' share option scheme:						
– value of employee services	–	69	–	69	–	69
– release upon the lapse of share options	–	(661)	661	–	–	–
2023 final dividend (Note 9)	–	(214,671)	–	(214,671)	–	(214,671)
Appropriation to safety reserve	–	7,307	(7,307)	–	–	–
Balance at 30 June 2024 <i>(Unaudited)</i>	<u>82,566</u>	<u>6,077,952</u>	<u>6,839,221</u>	<u>12,999,739</u>	<u>10,656</u>	<u>13,010,395</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company					Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2023							
<i>(Audited)</i>	74,404	6,073,045	5,605,611	11,753,060	9,092	11,762,152	
Comprehensive income							
Profit for the period	–	–	566,855	566,855	854	567,709	
Other comprehensive loss							
Currency translation differences	–	(646,004)	–	(646,004)	(590)	(646,594)	
Total comprehensive (loss)/ income for the period	–	(646,004)	566,855	(79,149)	264	(78,885)	
Transactions with the owner of the Company							
Employees' share option scheme:							
– exercise of employees' share options	–	11	–	11	–	11	
– value of employee services	–	1,091	–	1,091	–	1,091	
– release upon the lapse of share options	–	(5)	5	–	–	–	
Issuance of shares in respect of rights issue, net of transaction cost	7,440	1,620,370	–	1,627,810	–	1,627,810	
2022 final dividend (Note 9)	–	(605,649)	–	(605,649)	–	(605,649)	
Balance at 30 June 2023							
<i>(Unaudited)</i>	81,844	6,442,859	6,172,471	12,697,174	9,356	12,706,530	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Cash flows from operating activities		
Cash generated from operations	493,196	429,857
Interest paid	(169,550)	(116,075)
Income tax paid	(153,266)	(137,815)
Net cash generated from operating activities	170,380	175,967
Cash flows from investing activities		
Payments for acquisition of right-of-use assets	(9,075)	—
Payments for purchases of and prepayments for purchase of property, plant and equipment	(629,790)	(1,673,209)
Proceeds from disposal of property, plant and equipment	134	—
Capital injections into an investment accounted for using the equity method	(727)	—
Advance to an investment accounted for using the equity method	(29,912)	—
Net proceeds from financial assets at fair value through profit or loss	959	9,110
Interest received	2,791	2,275
Net cash used in investing activities	(665,620)	(1,661,824)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Cash flows from financing activities		
Proceeds from issuance of shares in respect of rights issue	—	1,629,448
Payments for professional fees in connection with issuance of shares in respect of rights issue	—	(1,638)
Proceeds from exercise of employees' share options	—	11
Settlement of deferred consideration payable for acquisition	—	(1,409,022)
Proceeds from bank borrowings	2,338,355	2,576,225
Repayments of bank borrowings	(1,958,594)	(2,285,857)
Principal elements of lease payments	(45,760)	(18,640)
Net cash generated from financing activities	334,001	490,527
Net decrease in cash and cash equivalents	(161,239)	(995,330)
Cash and cash equivalents at beginning of the period	645,009	1,790,767
Effect of foreign exchange rate changes	(11,630)	(15,211)
Cash and cash equivalents at end of the period	472,140	780,226

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

Xinyi Energy Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) are principally engaged in the operation and management of solar farms in the People’s Republic of China (the “**PRC**”).

This unaudited condensed consolidated interim financial information is presented in thousands of Hong Kong dollars (HK\$’000), unless otherwise stated. This unaudited condensed consolidated interim financial information was approved for issue by the Board of Directors on 31 July 2024.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2024 has been prepared in accordance with the applicable disclosure provisions of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standards (“**HKAS**”) 34, “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants. This unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSS**”).

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2023, as described in those annual financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

(a) Amendments to standards and revised interpretation adopted by the Group

The following amendments to standards and revised interpretation are effective for accounting periods beginning on or after 1 January 2024. The adoption of which does not have a material impact on the results and financial position for the current or prior periods of the Group.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

(b) Amendments to standards have been issued but not yet effective for the accounting periods beginning on 1 January 2024 and not early adopted by the Group

		Effective for accounting periods beginning on or after
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment on the impact of these amendments to standards. Preliminary assessment results showed that their applications are not expected to have material impact on the financial performance and the financial position of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3 REVENUE, OTHER INCOME AND SEGMENT INFORMATION

Revenue and other income recognised during the period are as follows:

Six months ended 30 June		
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue		
Recognised at a point in time:		
– Sales of electricity	698,326	727,536
– Tariff adjustment	513,654	556,134
Recognised over time:		
– Solar farm operation and management services	6,425	4,884
	1,218,405	1,288,554
Other income		
Government grants (Note)	3,985	17
Compensation of insurance claims	475	1,375
Others	5,328	3,185
	9,788	4,577

Note:

Government grants mainly represent grants received from the PRC government in subsidising the Group's general operations.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3 REVENUE, OTHER INCOME AND SEGMENT INFORMATION (Continued)

Segment information

The Group is mainly engaged in the operation and management of solar farms in the PRC. Information reported to the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available.

No segment of assets and liabilities are presented as no discrete financial information is available.

Majority of the non-current assets of the Group are located in the PRC and with country of domicile being the PRC.

4 OTHER GAINS, NET

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Foreign exchange gains, net	281	3,670
Loss on disposal of property, plant and equipment	(76)	—
Net fair value gains on financial assets of fair value through profit or loss	3,843	9,110
	<u>4,048</u>	<u>12,780</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5 OPERATING PROFIT

Operating profit is stated after charging the following:

Six months ended 30 June		
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Depreciation charge of property, plant and equipment	341,308	304,112
Depreciation charge of right-of-use assets	18,144	16,451
Employee benefit expenses (including directors' emoluments)	32,937	29,725
Electricity	17,384	10,752
Repair and maintenance	23,080	13,858
Insurance expenses	2,759	3,700

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6 FINANCE INCOME AND FINANCE COSTS

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Finance income		
Interest income from bank deposits	<u>2,791</u>	<u>2,275</u>
Finance costs		
Interest on lease liabilities	24,209	22,418
Interest expense on bank borrowings	173,507	119,359
Interest expense on deferred payment of business combination purchase consideration	<u>—</u>	<u>20,778</u>
	<u>197,716</u>	<u>162,555</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current income tax		
PRC corporate income tax ("CIT") (Note (c))	162,068	169,091
PRC withholding tax (Note (d))	24,822	—
	186,890	169,091
Deferred income tax	(11,095)	(11,063)
	175,795	158,028

Notes:

- (a) The Company was incorporated in the British Virgin Islands and is exempted from payment of the British Virgin Islands income tax.
- (b) No provision for Hong Kong profits tax has been made for the period as the Group did not generate any assessable profits arising in Hong Kong during the period.
- (c) The applicable CIT rate for the Group's subsidiaries in the PRC is 25% (2023: 25%) except that:
- A subsidiary engaging in operation and management of solar farms in Anhui Province is qualified as a "High and New Technology Enterprise" and would be entitled to enjoy a preferential CIT rate of 15% (2023: 15%);
 - A subsidiary engaging in development of operation and management systems in Guangxi Zhuang Autonomous Region is qualified as an "Encouraged Enterprise" in the Catalogue of Industries Encouraged for Foreign Investment in Central and Western Region and would be entitled to enjoy a preferential CIT rate of 9% (2023: 9%); and
 - Subsidiaries engaging in the solar farms business enjoyed tax holiday and their profits are fully exempted from the CIT for three years starting from its first year of revenue generation, followed by 50% reduction in CIT in next three years. However, their government grants and compensation of insurance claims received are subject to the CIT rate of 25% (2023: 25%).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

7 INCOME TAX EXPENSE (Continued)

Notes: (Continued)

- (d) Withholding tax on remitted earnings

Withholding tax is levied on dividends declared to foreign investors by the foreign investment enterprises established in the PRC, in respect of earnings generated after 31 December 2007. For the six months ended 30 June 2024, dividends remitted from the PRC subsidiaries were subject to 5% withholding tax.

8 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period and adjusted for bonus elements in ordinary shares issued as a result of the rights issue completed in June 2023.

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited) (Restated)
Profit attributable to equity holders of the Company (HK\$'000)	394,522	566,855
Weighted average number of ordinary shares in issue (thousands)	8,256,589	7,581,250
Basic earnings per share (HK cents)	4.78	7.48

Basic earnings per share for the six months ended 30 June 2023 have been restated taking into consideration of the effect of the rights issue of the Company completed on 1 June 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

8 EARNINGS PER SHARE (Continued)

(b) Diluted

For the six months ended 30 June 2024 and 30 June 2023, diluted earnings per share equal basic earnings per share as these were no potential dilutive share.

9 DIVIDENDS

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Final dividend for 2023 of 2.6 HK cents (2022: 7.4 HK cents) per share	214,671	605,649
Proposed interim dividend of 2.3 HK cents (2023: 3.4 HK cents) per share	189,902	279,109

At a meeting of the Board held on 31 July 2024, the Directors resolved to declare an interim dividend of 2.3 HK cents per share for the six months ended 30 June 2024. This interim dividend, amounting to HK\$189,902,000, is based on 8,256,588,652 issued shares as at 30 June 2024 and has not been recognised as a liability in this unaudited condensed consolidated interim financial information. It will be recognised in shareholders' equity in the year ending 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

10 PROPERTY, PLANT AND EQUIPMENT

	Solar farms <i>HK\$'000</i>	Buildings <i>HK\$'000</i>	Motor vehicle, furniture and fixtures, equipment and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended				
30 June 2024 (Unaudited)				
Opening net book amount	14,836,203	148,917	22,754	15,007,874
Additions	700,966	339	3,923	705,228
Disposal	—	—	(210)	(210)
Depreciation charge	(336,237)	(3,403)	(1,668)	(341,308)
Currency translation differences	(364,955)	(4,400)	(610)	(369,965)
Closing net book amount	14,835,977	141,453	24,189	15,001,619
At 30 June 2024 (Unaudited)				
Cost	18,315,988	191,135	35,223	18,542,346
Accumulated depreciation	(3,480,011)	(49,682)	(11,034)	(3,540,727)
Net book amount	14,835,977	141,453	24,189	15,001,619

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

11 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade receivables (<i>Note (a)</i>)	4,446,739	3,951,848
Less: Loss allowance for trade receivables	(44,467)	(39,518)
Trade receivables, net	4,402,272	3,912,330
Deposits and other receivables (<i>Note (b)</i>)	49,059	57,942
Other tax receivables (<i>Note (c)</i>)	333,800	326,009
Prepayments for property, plant and equipment	24,102	13,537
Other prepayments	11,977	16,278
	4,821,210	4,326,096
Less: Non-current portion		
Prepayments for property, plant and equipment	(24,102)	(13,537)
Current portion	4,797,108	4,312,559

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

11 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

Notes:

(a) Trade receivables

As at 30 June 2024, trade receivables comprise receivables from sales of electricity and tariff adjustment receivables. The category analysis of trade receivables is set out below:

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Receivables from sales of electricity	216,453	198,549
Tariff adjustment receivables	4,230,286	3,753,299
	4,446,739	3,951,848

Receivables from sales of electricity were usually settled on a monthly basis by the state-owned grid enterprises. Tariff adjustment receivables represent government subsidies on renewable energy to be received from the state-owned grid enterprises in accordance with prevailing government policies and prevalent payment pattern of the Ministry of Finance.

The ageing analysis of trade receivables based on the Group's revenue recognition policy is as follows:

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
0 to 90 days	531,472	384,712
91 days to 180 days	237,593	371,377
181 days to 365 days	603,199	614,735
Over 365 days	3,074,475	2,581,024
	4,446,739	3,951,848

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

11 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

Notes: (Continued)

- (b) Deposits and other receivables

Deposits and other receivables are all expected to be recoverable and therefore no provision was made. The ageing of deposits and other receivables was within one year. The carrying amounts of the Group's deposits and other receivables are mainly denominated in RMB.

- (c) Other tax receivables

Other tax receivables mainly represent value added tax ("VAT") recoverable, which is creditable input VAT on purchase of property, plant and equipment (including construction in progress). They will be offset against output VAT on sales of solar electricity and tariff adjustment. The balance is denominated in RMB.

- (d) The carrying amounts of trade and other receivables approximate their fair values.

12 SHARE CAPITAL

	Number of ordinary shares	Ordinary shares of HK\$0.01 each HK\$	Total HK\$'000
Authorised:			
At 1 January and 30 June 2024	<u>800,000,000,000</u>	<u>8,000,000,000</u>	<u>8,000,000</u>
Issued and fully paid: (Unaudited)			
At 1 January and 30 June 2024	<u>8,256,588,652</u>	<u>82,565,887</u>	<u>82,566</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

13 ACCRUALS AND OTHER PAYABLES

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Payables for property, plant and equipment	441,028	385,617
Others (Note (b))	28,944	34,650
	469,972	420,267
Less: Non-current portion		
Retention payables for property, plant and equipment	(16,652)	(15,703)
Current portion	453,320	404,564

Notes:

- (a) The carrying amounts of accruals and other payables are mainly denominated in RMB and approximate their fair values.
- (b) The balance mainly comprises accruals of professional fees, interest for bank borrowings and accrued staff costs.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

14 BANK BORROWINGS

The bank borrowings are unsecured and repayable as follows:

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within 1 year	2,662,249	3,636,561
Between 1 and 2 years	1,524,656	1,228,283
Between 2 and 5 years	1,540,320	919,107
Over 5 years	900,750	486,515
	6,627,975	6,270,466
Less: Non-current portion	(3,965,726)	(2,633,905)
Current portion	2,662,249	3,636,561

As at 30 June 2024 and 31 December 2023, the carrying amounts of the Group's bank borrowings are approximate their fair values and denominated in the following currencies:

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
HK\$	5,178,681	5,437,943
RMB	1,449,294	832,523
	6,627,975	6,270,466

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

14 BANK BORROWINGS (Continued)

As at 30 June 2024 and 31 December 2023, majority of bank borrowings bore floating interest rates and were exposed to interest rate changes. These bank borrowings are repayable by instalments up to 2040 (31 December 2023: 2038).

The effective interest rates per annum at reporting date were as follows:

	As at	
	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Bank borrowings	4.71%	6.05%

As at 30 June 2024 and 31 December 2023, corporate guarantees were provided by the Company and its subsidiaries for the bank borrowings.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

15 RELATED PARTY TRANSACTIONS

(a) Related party transactions

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the period.

Six months ended 30 June		
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
One-off transaction		
Acquisition of a subsidiary from a fellow subsidiary	<u>154,365</u>	<u>146,202</u>
Continuing transactions		
Solar farm operation and management services fee receivable from subsidiaries of Xinyi Solar Holdings Limited ("Xinyi Solar") (Note)	<u>6,425</u>	<u>4,884</u>

Note:

The transaction constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules. The transactions were conducted at mutually agreed prices and terms.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

15 RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Due from fellow subsidiaries:		
– Chaohu Jindao Photovoltaic Power Generation Company Limited*	36	1
– Hepu County Xinyi Renewable Energy Limited*	88	–
– Hepu County Xinyi Solar Limited*	280	391
– Kaiping City Ruide Renewable Energy Limited*	34	23
– Qujing Yingli Solar Power Development Limited*	63	83
– Taonan Runhe Risheng Photovoltaic Agricultural Development Company Limited*	55	75
– Wuhu Xintu Renewable Energy Limited*	66	–
– Xinyi Solar (Bozhou) Limited*	229	84
– Xinyi Solar (Jinzhai) Limited*	346	182
– Xinyi Solar (Wangjiang) Limited*	196	48
– Xinyun Renewable Energy (Yunfu) Limited*	36	49
– Xinyun Solar (Qujing) Limited*	802	62
	2,231	998

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

15 RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties (Continued)

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Due from an investment accounted for using the equity method:		
– Parkland Renewable Energy Sdn. Bhd. [#]	<u>29,786</u>	<u>—</u>
Due to fellow subsidiaries:		
– Bright Top Investment Limited [*]	—	(15,453)
– Sun Wisdom Development Limited [*]	<u>(47,185)</u>	<u>(19,530)</u>
	<u>(47,185)</u>	<u>(34,983)</u>

* Companies under control of Xinyi Solar

[#] An investment with its issued share capital owned as to 40% by the Group

The amounts due from and due to related parties are unsecured, interest free and repayable on demand. The amounts approximate their fair values and are denominated in HK\$, RMB and Malaysian Ringgit.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

15 RELATED PARTY TRANSACTIONS (Continued)

(c) Leases

		Six months ended 30 June	
	Note	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest expense on lease liabilities in relation to office area recognised by the Group as a lessee to related parties:			
– Cheer Wise Investment Limited ("Cheer Wise")	(i), (ii)	4	5
– Xinyi Energy Smart (Wuhu) Company Limited ("Xinyi Energy Smart")	(i), (iii)	52	18
		56	23

Notes:

- (i) Both companies under control of Xinyi Glass Holdings Limited, a major shareholder of Xinyi Solar.
- (ii) Approximate 30 square meter ("sq.m.") office area in Hong Kong was provided by Cheer Wise for the Group's operations with rental mutually agreed.
- (iii) Approximate 1,500 sq.m. office area in Wuhu has been provided by Xinyi Energy Smart for the Group's occupations with rental mutually agreed.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

15 RELATED PARTY TRANSACTIONS (Continued)

(d) Key management compensation

Key management includes executive and non-executive directors as well as senior management.

The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Salaries, allowances and benefits in kind	6,521	2,884
Retirement benefits scheme contributions	40	38
Share options granted	—	425
	6,561	3,347

16 CONTINGENCIES

The Group did not have any significant contingent liabilities as at 30 June 2024 and 31 December 2023.

17 SUBSEQUENT EVENT

In July 2024, the Company, through a wholly-owned subsidiary, completed the purchase of 5% equity interests in Guangdong Jike New Energy Development Company Limited ("**Guangdong Jike**"), following which Guangdong Jike has become a wholly-owned subsidiary of the Company. Guangdong Jike, through its wholly-owned subsidiary, owns and operates a solar farm project with capacity of 100 megawatts in the PRC.

FURTHER INFORMATION ON THE GROUP

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to declare an interim dividend (the “**Interim Dividend**”) of 2.3 HK cents per share for the 1H2024 (1H2023: 3.4 HK cents) to be paid to the Shareholders with their names recorded on the register of members of the Company at the close of business on Monday, 19 August 2024. The Interim Dividend is expected to be payable on or about Wednesday, 16 October 2024. The register of members of the Company will be closed from Thursday, 15 August 2024 to Monday, 19 August 2024 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the Interim Dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration by 4:30 p.m. on Wednesday, 14 August 2024.

Shareholders will be given an option to receive the Interim Dividend in cash or wholly or partly in new and fully paid shares in lieu of cash. The scrip dividend scheme (the “**Scrip Dividend Scheme**”) is subject to the Stock Exchange granting the listing of and permission to deal in the new shares to be allotted and issued under the Scrip Dividend Scheme.

The Company will announce separately further information on the Scrip Dividend Scheme which includes the market value of the scrip shares under the Scrip Dividend Scheme which is expected to represent a discount to the average closing price per share as quoted on the Stock Exchange for the five consecutive trading days commenced on Tuesday, 13 August 2024 until Monday, 19 August 2024 (both days inclusive) rounded down to two decimal places.

FURTHER INFORMATION ON THE GROUP

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the 1H2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

CORPORATE GOVERNANCE

The Directors confirm that the Company has complied with the applicable code provisions contained in the Corporate Governance Code as set forth in Part 2 of Appendix C1 to The Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the 1H2024.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set forth in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by the Directors. Having made specific enquiries to the Directors, all Directors confirmed that they had complied with the required standard of dealings as set forth in the Model Code during the 1H2024.

CHANGE IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of the Directors subsequent to the date of the 2023 annual report of the Company are as follows:

On 1 April 2024, Mr. LEE Yan Ching, the executive Director, resigned as the Chief Executive Officer of Xinyi Solar Holdings Limited (stock code: 0968), a company listed on the main board of the Stock Exchange, and Mr. LEE Shing Put, B.B.S., the Chairman and executive Director, be appointed as the Chief Executive Officer of Xinyi Solar.

Mr. LEE Shing Put, B.B.S. and Mr. LEE Yau Ching, the executive Directors, has been appointed as the members of the acquisition committee of the Board effective from 31 May 2024.

FURTHER INFORMATION ON THE GROUP

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) in November 2018. The following table sets forth movements in the share options of the Company for the 1H2024:

	Grant date	Exercise price (HK\$)	Closing price of the Company's shares immediately before the grant date (HK\$)	Vesting period	Exercise period	As at 1/1/2024	Number of share options			As at 30/6/2024
							Granted	Exercised	Cancelled	
Continuous contract employees	31/3/2020	2.18	2.08	31/3/2020-31/12/2022	1/4/2023-31/3/2024	1,696,790 ⁽¹⁾	—	—	—	—
	31/3/2021	3.78	3.81	31/3/2021-31/12/2023	1/4/2024-31/3/2025	2,298,749 ⁽¹⁾	—	—	(4,000)	2,294,749
	31/3/2022	4.76	4.86	31/3/2022-31/12/2024	1/4/2025-31/3/2026	2,672,534 ⁽¹⁾	—	—	(6,000)	2,666,534
	1/6/2023	2.26	2.26	1/6/2023-31/12/2025	1/4/2026-31/3/2027	3,955,000 ⁽¹⁾	—	—	(8,000)	3,947,000
	31/3/2024	1.12	1.09	28/3/2024-31/12/2026	1/4/2027-31/3/2028	—	3,500,000 ^(a)	—	(8,000)	3,492,000
Total						10,623,073	3,500,000	—	(26,000)	18,400,283

Notes:

- (1) Ms. CHENG Shu E was retired as the executive director of the Company on 2 June 2023. Her share options were reallocated into the category of continuous contract employees.

FURTHER INFORMATION ON THE GROUP

- (2) The vesting of the share options is subject to satisfaction of certain performance targets as determined by the Board at its absolute discretion, either on a case-by-case basis or generally: (i) the Board will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as the Group's revenue and profit of the Group as a whole and of the applicable business, and (ii) the Group has established a standard performance appraisal system for its employees to evaluate their performance and contribution to the Group. The Company will determine whether the grantees meet the individual performance target based on their performance appraisal results for the relevant year.

During the 1H2024, 3,500,000 share options were granted. The fair value of the equity-settled share options under the Share Option Scheme during the 1H2024 was estimated at HK\$1,113,000.

The value of the share options granted during the 1H2024 is to be expensed through the income statement of the Company over the three-year vesting period of share options.

The fair value of share options granted during the 1H2024 was determined in accordance with the valuation performed by an independent valuer using the Black-Scholes option pricing model. Such model is one of the commonly used models to estimate the fair value of an option. The significant variables and assumptions used in computing the fair value of the share options are set forth in the table below. The value of an option varies with different variables of a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

Share price at the grant date (HK\$)	1.11
Exercise price (HK\$)	1.12
Volatility (%)	51.22
Dividend yield (%)	5.41
Expected share option life (years)	3.51
Annual risk-free rate (%)	3.40

The number of share options available for grant under the Share Option Scheme were 651,566,772 as of 1 January 2024 and 648,066,772 as of 30 June 2024.

The number of shares that may be issued in respect of the options granted under the Share Option Scheme during the 1H2024 divided by the weighted average number of the shares in issue for the 1H2024 is 0.04%.

FURTHER INFORMATION ON THE GROUP

DIRECTOR'S AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATIONS

As of 30 June 2024, the interests and short positions of the Directors and chief executive of the Company or any of their associates in the shares, the underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), which were required to be (a) 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 they were taken or deemed to have taken under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Long positions in the shares of the Company

Name of Director	Capacity	Name of the controlled corporations	Number of shares held	Approximate percentage of the Company's issued share capital
Tan Sri Datuk TUNG Ching Sai <i>P.S.M., D.M.S.M., J.P.</i>	Interest in a controlled corporation ⁽¹⁾	Copark (as defined below)	30,553,206	0.370%
	Interest in a controlled corporation ⁽¹⁾	Sharp Elite (as defined below)	192,410,355	2.330%
	Family interest ⁽¹⁾		14,910,018	0.180%
	Interest in persons acting in concert ⁽²⁾		1,275,082,774	15.443%

FURTHER INFORMATION ON THE GROUP

Notes:

- (1) Tan Sri Datuk TUNG Ching Sai *J.P.* is the beneficial owner of the entire issued share capital of Copark Investment Limited ("**Copark**") and Sharp Elite Holdings Limited ("**Sharp Elite**"), both are incorporated in the British Virgin Islands ("**BVI**") with limited liability, which in turn are the registered owner of 30,553,206 and 192,410,355 shares, respectively. Tan Sri Datuk TUNG Ching Sai *J.P.* is also deemed to be interested in 14,910,018 shares through his spouse, Puan Sri Datin SZE Tan Hung.
- (2) Pursuant to an agreement dated 22 November 2018 and entered into by Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor *D.C.S.M.*, Tan Sri Datuk TUNG Ching Sai *J.P.*, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. NG Ngan Ho, and Mr. LI Ching Leung, the parties have agreed to grant a right of first offer to the other parties to the agreement if they want to dispose of their shares allotted to them under a conditional distribution in specie received at the time of listing of the Company.

(ii) Long positions in the shares of associated corporation

Name of Director	Capacity	Name of the associated corporation	Number of shares held in the associated corporation	Approximate percentage in the issued share capital of associated corporation
Tan Sri Datuk TUNG Ching Sai <i>J.P.</i>	Interest in a controlled corporation ⁽¹⁾	Xinyi Solar	220,919,131	2.479%
	Family interest ⁽¹⁾		23,797,057	0.267%
	Interest in persons acting in concert ⁽²⁾		2,087,271,241	23.426%

FURTHER INFORMATION ON THE GROUP

Notes:

- (1) Tan Sri Datuk TUNG Ching Sai *J.P.* is the beneficial owner of the entire issued share capital of Copark which is the registered owner of 220,919,131 shares in the issued share capital of Xinyi Solar ("**XYS Shares**"). Tan Sri Datuk TUNG Ching Sai *J.P.* also has 23,797,057 **XYS Shares** through his spouse, Puan Sri Datin SZE Tan Hung.
- (2) Pursuant to an agreement dated 31 May 2013 and entered into by Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor *D.C.S.M.*, Tan Sri Datuk TUNG Ching Sai *J.P.*, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. NG Ngan Ho, and Mr. LI Ching Leung, the parties have agreed to grant a right of first offer to the other parties to the agreement if they want to dispose of their **XYS Shares** allotted to them under a conditional distribution in specie, by way of special interim dividend declared on 19 November 2013 of such number of shares to them representing approximately 67.6% of the **XYS Shares** as of that date.

Save as disclosed above, as of 30 June 2024, to the knowledge of the Company, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which was required to be (a) 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 they were taken or deemed to have taken under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

FURTHER INFORMATION ON THE GROUP

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As of 30 June 2024, the following persons, (other than a Director or chief executive of the Company) had, or were deemed to have interests or short positions in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Long positions in the shares of the Company

Name of substantial shareholders	Nature of interest and capacity	Number of shares held	Approximate percentage of the Company's issued share capital
Xinyi Group (Glass) Company Limited	Beneficial owner	412,199,294	4.992%
Xinyi Automobile Glass (BVI) Company Limited	Interest in a controlled corporation	412,199,294	4.992%
Xinyi Glass Holdings Limited	Beneficial owner	38,194,032	0.462%
	Interest in a controlled corporation	412,199,294	4.992%
Xinyi Power (BVI) Limited	Beneficial owner	4,260,473,401	51.600%
Xinyi Solar	Interest in a controlled corporation	4,260,473,401	51.600%
Charm Dazzle Limited	Beneficial owner	469,481,267	5.686%
Dr. LEE Yin Yee, S.B.S.	Interest in a controlled corporation ⁽¹⁾	554,468,753	6.715%
	Interest in a controlled corporation ⁽²⁾	7,797,412	0.094%
	Joint interest ⁽¹⁾	3,665,710	0.044%
	Family interest ⁽¹⁾	4,446,497	0.053%
	Interest in persons acting in concert ⁽³⁾	942,577,981	11.416%

FURTHER INFORMATION ON THE GROUP

Name of substantial shareholders	Nature of interest and capacity	Number of shares held	Approximate percentage of the Company's issued share capital
Datuk Wira TUNG Ching Bor <i>D.C.S.M</i>	Interest in a controlled corporation ⁽⁴⁾	231,443,572	2.803%
	Joint interest ⁽⁴⁾	11,689,124	0.141%
	Family interest ⁽⁴⁾	4,100,653	0.049%
	Interest in persons acting in concert ⁽³⁾	1,265,723,004	15.329%
Mr. LEE Sing Din	Interest in a controlled corporation ⁽⁵⁾	144,930,702	1.755%
	Personal interest ⁽⁵⁾	234,381	0.002%
	Joint interest ⁽⁵⁾	7,093,739	0.085%
	Interest in persons acting in concert ⁽³⁾	1,360,697,531	16.480%
Mr. LI Man Yin	Interest in a controlled corporation ⁽⁶⁾	55,545,346	0.672%
	Personal interest ⁽⁶⁾	394,278	0.004%
	Family interest ⁽⁶⁾	162,325	0.001%
	Interest in persons acting in concert ⁽³⁾	1,456,854,404	17.644%
Mr. LI Ching Wai	Interest in a controlled corporation ⁽⁷⁾	59,840,625	0.724%
	Personal interest ⁽⁷⁾	205,033	0.002%
	Interest in persons acting in concert ⁽³⁾	1,452,910,695	17.596%
Mr. SZE Nang Sze	Interest in a controlled corporation ⁽⁸⁾	78,675,264	0.952%
	Interest in persons acting in concert ⁽³⁾	1,434,281,089	17.371%
Mr. NG Ngan Ho	Interest in a controlled corporation ⁽⁹⁾	55,338,425	0.670%
	Personal interest ⁽⁹⁾	283,973	0.003%
	Interest in persons acting in concert ⁽³⁾	1,457,333,955	17.650%

FURTHER INFORMATION ON THE GROUP

Name of substantial shareholders	Nature of interest and capacity	Number of shares held	Approximate percentage of the Company's issued share capital
Mr. Li Ching Leung	Interest in a controlled corporation ⁽¹⁰⁾	53,944,770	0.653%
	Personal interest ⁽¹⁰⁾	776,322	0.009%
	Family interest ⁽¹⁰⁾	45,870	0.0005%
	Interest in persons acting in concert ⁽³⁾	1,458,189,391	17.660%
Shanghai Ningquan Asset Management Co., Ltd.* (上海寧泉資產管理有限公司)	Investment manager	500,195,961	6.058%

* For identification purpose only

Notes:

- (1) Dr. LEE Yin Yee, S.B.S. is the beneficial owner of the entire issued share capital of Realbest Investment Limited and Charm Dazzle Limited, both are incorporated in the BVI with limited liability and wholly-owned by Dr. LEE Yin Yee, S.B.S.. Dr. LEE Yin Yee, S.B.S. also has 3,665,710 shares jointly held with and 4,446,497 shares through his spouse, Madam TUNG Hai Chi.
- (2) The interest in the shares are held through Full Guang Holdings Limited ("Full Guang"). Full Guang is owned by Dr. LEE Yin Yee, S.B.S. as to 33.98%, Datuk Wira TUNG Ching Bor D.C.S.M as to 16.21%, Tan Sri Datuk TUNG Ching Sai J.P. as to 16.21%, Mr. LEE Sing Din as to 11.85%, Mr. Li Ching Wai as to 5.56%, Mr. NG Ngan Ho as to 3.70%, Mr. Li Man Yin as to 3.70%, Mr. SZE Nang Sze as to 5.09% and Mr. Li Ching Leung as to 3.70%.
- (3) Pursuant to an agreement dated 22 November 2018 and entered into by Dr. LEE Yin Yee, S.B.S. Datuk Wira TUNG Ching Bor D.C.S.M, Tan Sri Datuk TUNG Ching Sai J.P., Mr. LEE Sing Din, Mr. Li Ching Wai, Mr. Li Man Yin, Mr. SZE Nang Sze, Mr. NG Ngan Ho, and Mr. Li Ching Leung, the parties have agreed to grant a right of first offer to the other parties to the agreement if they want to dispose of their shares allotted to them under a conditional distribution in specie received at the time of listing of the Company.
- (4) Datuk Wira TUNG Ching Bor D.C.S.M's interests in the shares are held through High Park Technology Limited and Xu Feng Limited, both are incorporated in the BVI with limited liability and wholly-owned by Datuk Wira TUNG Ching Bor D.C.S.M. Datuk Wira TUNG Ching Bor D.C.S.M has 11,689,124 shares jointly held with and 4,100,653 shares through his spouse, Datin Wira KUNG Sau Wai.

FURTHER INFORMATION ON THE GROUP

- (5) Mr. LEE Sing Din's interests in the shares are held through Telerich Investment Limited and Precious Smart Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. LEE Sing Din. Mr. LEE Sing Din also has 234,381 shares held in his own name and 7,093,739 shares through a joint account with his spouse, Madam LI Kam Ha.
- (6) Mr. LI Man Yin's interests in the shares are held through Perfect All Investments Limited and Will Sail Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. LI Man Yin. Mr. LI Man Yin also has 394,278 shares held in his own name and 162,325 shares through his spouse, Madam LI Sau Suet.
- (7) Mr. LI Ching Wai's interests in the shares are held through Goldbo International Limited and Yuanyi Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. LI Ching Wai. Mr. LI Ching Wai also has 205,033 shares held in his own name.
- (8) Mr. SZE Nang Sze's interests in the shares are held through Goldpine Limited and Day Dimension Investments Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. SZE Nang Sze.
- (9) Mr. NG Ngan Ho's interests in the shares are held through Linkall Investment Limited and Far High Investments Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. NG Ngan Ho. Mr. NG Ngan Ho also has 283,973 shares held in his own name.
- (10) Mr. LI Ching Leung's interests in the shares are held through Herosmart Holdings Limited and Heng Zhuo Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. LI Ching Leung. Mr. LI Ching Leung also has 776,322 shares held in his own name and 45,870 shares through his spouse, Madam DY Maria Lumin.

Save as disclosed above, as of 30 June 2024, the Directors were not aware of any other person or corporation having an interests or short positions in the shares and underlying shares as notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

REVIEW OF THE INTERIM RESULTS

The Company's unaudited interim results for the 1H2024 have not been reviewed by the external auditor but have been reviewed by the Company's audit committee, comprising three independent non- executive Directors, namely, Mr. LEUNG Ting Yuk (Chairman of audit committee), The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang.