CONCORD NEW ENERGY

Concord New Energy Group Limited
協合新能源集團有限公司*

(Incorporated in Bermuda with limited liability)
(Stock code: 182)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board of directors (the "Directors") of Concord New Energy Group Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2023, together with the comparative figures for the corresponding period in 2022. These consolidated financial statements are unaudited but have been reviewed by the Company's audit committee.

**for identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2023 – Unaudited

	Notes	**2023**	2022
		RMB'000	*RMB'000*
Revenue	*2,3*	**1,490,141**	1,339,182
Cost of sales and services rendered		**(584,817)**	(542,636)
Gross profit		**905,324**	796,546
Other income	*4*	**41,359**	25,981
Other gains and losses, net	*5*	**24,674**	30,132
Impairment losses under expected credit loss model, net of reversal	*6*	**(1,234)**	-
Distribution and selling expenses		**(13,941)**	(6,894)
Administrative expenses		**(221,082)**	(187,085)
Finance costs	*7*	**(314,625)**	(257,004)
Share of profit of joint ventures, net		**131,007**	104,212
Share of profit of associates, net		**12,913**	7,241
Profit before income tax		**564,395**	513,129
Income tax expense	*8*	**(44,801)**	(42,932)
Profit for the period		**519,594**	470,197
Profit for the period attributable to:			
Equity shareholders of the Company		**496,304**	443,179
Non-controlling interests		**23,290**	27,018
		519,594	470,197
Earnings per share			
Basic *(RMB cents)*	*9(a)*	**5.83**	5.01
Diluted *(RMB cents)*	*9(b)*	**5.81**	4.99

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023 – Unaudited

	2023	2022
	RMB'000	*RMB'000*
Profit for the period	**519,594**	470,197
Other comprehensive income:		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**7,063**	15,661
Other comprehensive income for the period, net of tax	**7,063**	15,661
Total comprehensive income for the period	**526,657**	485,858
Total comprehensive income attributable to:		
Equity shareholders of the Company	**504,918**	460,250
Non-controlling interests	**21,739**	25,608
	526,657	485,858

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2023 – Unaudited

	Notes	**30 June 2023** *Unaudited* ***RMB'000***	31 December 2022 *Audited* *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**15,519,603**	14,876,597
Right-of-use assets		**786,668**	559,208
Intangible assets		**778,296**	788,224
Interests in associates		**788,278**	776,034
Interests in joint ventures		**1,709,130**	1,578,123
Financial assets at fair value through profit or loss		**13,716**	13,716
Prepayments, deposits and other receivables		**1,665,223**	1,666,400
Finance lease receivables		**172,492**	164,993
Loan receivables		**39,798**	45,240
Deferred tax assets		**41,755**	39,486
		21,514,959	20,508,021
Current assets			
Inventories		**83,513**	59,196
Contract assets	*11*	**236,302**	206,728
Trade and bills receivable	*12*	**1,670,673**	1,369,622
Prepayments, deposits and other receivables		**881,735**	615,485
Finance lease receivables		**35,403**	32,599
Loan receivables		**17,535**	16,347
Amounts due from associates		**66,654**	85,835
Amounts due from joint ventures		**37,907**	90,563
Financial assets at fair value through profit or loss		**465,619**	138,841
Cash and cash equivalents		**2,627,569**	3,471,039
Restricted deposits		**801,601**	578,240
		6,924,511	6,664,495
Assets classified as held for sale	*13*	**1,329,818**	-
		8,254,329	6,664,495
Total assets		**29,769,288**	27,172,516
LIABILITIES			
Non-current liabilities			
Bank borrowings		**2,123,832**	1,285,516
Other borrowings		**10,689,479**	10,321,434
Lease liabilities		**147,102**	98,748
Deferred tax liabilities		**75,397**	93,522
Deferred government grants		**5,796**	4,865
Payables for construction in progress, other payables and accruals		**416,762**	745,976
Financial guarantee contract liabilities		**9,815**	10,602
		13,468,183	12,560,663

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*
As at 30 June 2023 – Unaudited

	Notes	**30 June 2023** *Unaudited* ***RMB'000***	31 December 2022 *Audited* *RMB'000*
Current liabilities			
Trade and bills payable	*14*	**1,219,112**	1,262,570
Payables for construction in progress, other payables and accruals		**3,419,147**	2,736,516
Contract liabilities		**40,376**	59,325
Amounts due to associates		**320**	2,540
Amounts due to joint ventures		**830**	156
Bank borrowings		**905,383**	979,411
Other borrowings		**749,877**	734,782
Senior notes		**-**	618,905
Lease liabilities		**15,920**	13,502
Financial guarantee contract liabilities		**5,181**	7,535
Current income tax liabilities		**86,947**	101,719
		6,443,093	6,516,961
Liabilities associated with assets classified as held for sale	*13*	**1,564,853**	-
		8,007,946	6,516,961
Total liabilities		**21,476,129**	19,077,624
Net current assets		**246,383**	147,534
Total assets less current liabilities		**21,761,342**	20,655,555
Net assets		**8,293,159**	8,094,892
EQUITY			
Share capital	*15*	**74,294**	77,443
Reserves		**7,998,036**	7,754,304
Total equity attributable to equity shareholders of the Company		**8,072,330**	7,831,747
Non-controlling interests		**220,829**	263,145
Total equity		**8,293,159**	8,094,892

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Basis of preparation and presentation

The unaudited consolidated financial statements of the Company and its subsidiaries (together the "Group") for the six months ended 30 June 2023 have 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") as well as the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022.

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in Hong Kong Financial Reporting Standards ("HKFRSs ") and the following amendments to HKAS issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023.

HKFRS 17 *Insurance contract*

Amendments to HKAS 1, *Presentation of financial statements and* HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*

Amendments to HKAS 8 *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

Amendments to HKAS 12 *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

Amendments to HKAS 12 *Income taxes: International tax reform - Pillar Two model rules*

The application of the new and amendments to HKFRSs and HKAS in the current interim period has no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

2 Segment information

Business segments

The management has determined the operating segments based on the internal reports reviewed and used by executive directors of the Company, who are the chief operating decision markers ("CODM"), for strategic decision making.

The CODM considers the business from a product and service perspective. The Group is organised into certain business units according to the nature of the products sold or services provided. The CODM reviews operating results and financial information of each business unit separately. Accordingly, each business unit (including joint ventures and associates) is identified as an operating segment. These operating segments with similar economic characteristics and similar nature of products sold or services provided have been aggregated into the following reporting segments:

- Power generation segment – operation of wind and solar power plants through subsidiaries, generating electric power for sale to external power grid companies, investing in power plants through joint ventures and associates;

- Intelligent operation and maintenance segment – provision operation and maintenance, asset management, overhaul and commissioning service for wind and solar power plants;

- “Others” segment – provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects (the "engineering, procurement and construction business"), provision of finance lease services and energy internet services.

The CODM assesses the performance of the operating segments based on a measure of adjusted earnings before interest and income tax. This measurement basis excludes the effects of non-recurring income and expenditure from the operating segments.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to the third parties at the then prevailing market prices.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' remuneration, certain other gains and losses, certain other income, finance income and finance costs.

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to operating segments other than assets and liabilities attributable to head office.

	Power generation	Intelligent operation and maintenance	Others	Segment total	Elimination	Total
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
For the six months ended 30 June 2023 (Unaudited)						
Segment revenue						
Sales to external customers*	**1,195,597**	**158,938**	**135,606**	**1,490,141**	**-**	**1,490,141**
Inter-segment revenues	**-**	**68,138**	**529,661**	**597,799**	**(597,799)**	**-**
	1,195,597	**227,076**	**665,267**	**2,087,940**	**(597,799)**	**1,490,141**
Segment results	**818,702**	**22,200**	**(10,094)**	**830,808**	**-**	**830,808**
Unallocated other gains and losses, net						**23,440**
Unallocated income						**15,451**
Unallocated expenses						**(1,545)**
Finance income						**10,866**
Finance costs						**(314,625)**
Profit before income tax						**564,395**
Income tax expense						**(44,801)**
Profit for the period						**519,594**
As at 30 June 2023 (Unaudited)						
Segment assets	**26,406,957**	**549,995**	**2,669,966**	**29,626,918**	**-**	**29,626,918**
Unallocated assets						**142,370**
Total assets						**29,769,288**
Segment liabilities	**(19,098,059)**	**(298,359)**	**(1,604,641)**	**(21,001,059)**	**-**	**(21,001,059)**
Unallocated liabilities						**(475,070)**
Total liabilities						**(21,476,129)**

**Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB 1,011,545,000 and RMB184,052,000 respectively.*

	Power generation	Intelligent operation and maintenance	Others	Segment total	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the six months ended 30 June 2022 (Unaudited)						
Segment revenue						
Sales to external customers*	1,044,201	115,718	179,263	1,339,182	-	1,339,182
Inter-segment revenues	-	36,739	107,451	144,190	(144,190)	-
	1,044,201	152,457	286,714	1,483,372	(144,190)	1,339,182
Segment results	704,016	16,254	4,100	724,370	-	724,370
Unallocated other gains and losses, net						30,132
Unallocated income						6,522
Unallocated expenses						(1,405)
Finance income						10,514
Finance costs						(257,004)
Profit before income tax						513,129
Income tax expense						(42,932)
Profit for the period						470,197
As 31 December 2022 (Audited)						
Segment assets	24,493,235	433,417	1,997,149	26,923,801	-	26,923,801
Unallocated assets						248,715
Total assets						27,172,516
Segment liabilities	(17,569,471)	(243,644)	(877,550)	(18,690,665)	-	(18,690,665)
Unallocated liabilities						(386,959)
Total liabilities						(19,077,624)

**Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB886,417,000 and RMB157,784,000 respectively.*

3 Revenue

An analysis of the Group's revenue for six months is as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
Sales of electricity:		
Basic electricity price	**995,319**	822,767
Renewable energy subsidy	**182,862**	221,434
Green energy certificates	**17,416**	-
Engineering, procurement and construction	**99,923**	169,439
Power plant operation and maintenance services	**156,794**	102,647
Provision of design services	**7,866**	5,401
Provision of technical and consultancy services	**12,743**	5,184
Other revenue	**-**	619
	1,472,923	1,327,491
Finance lease income	**17,218**	11,691
Total revenue	**1,490,141**	1,339,182

4 Other income

An analysis of the Group's other income for six months ended 30 June is as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income	**10,866**	10,514
Government grants：		
— Tax refunds	**15,042**	9,153
— Others	**596**	1,108
Claim compensation	**9,338**	-
Guarantee income	**3,177**	-
Rental income	**1,093**	1,026
Others	**1,247**	4,180
	41,359	25,981

5 Other gains and losses, net

An analysis of other gains and losses, net is as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(Loss) / gain on disposal / de-registration of subsidiaries, net	**(1,199)**	2,472
Gain on disposal of associates	**62**	-
Fair value gains on financial assets at fair value through profit or loss ("FVTPL")	**13,124**	28,372
Exchange gain, net	**11,535**	1,323
Gain / (loss) on disposal of property, plant and equipment	**2,576**	(82)
Others	**(1,424)**	(1,953)
	24,674	30,132

6 Impairment losses under expected credit loss model, net of reversal

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Impairment loss recognised on trade receivable	**1,234**	-
	1,234	-

7 Finance costs

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest expenses on:		
— Bank borrowings	**57,416**	27,296
— Other borrowings	**265,986**	266,568
— Senior notes	**35,053**	32,131
— Lease liabilities	**4,797**	2,979
	363,252	328,974
Less: Interest capitalised	**(48,627)**	(71,970)
	314,625	257,004

8 Income tax expense

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
— People's Republic of China (the "PRC") corporate income tax	**42,676**	36,654
— PRC withholding tax	**22,060**	10,646
Under-provision in prior years		
— PRC corporate income tax	**1,149**	814
Deferred tax	**(21,084)**	(5,182)
	44,801	42,932

9 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company RMB496,304,000 (the corresponding period of 2022: RMB443,179,000) by the weighted average number of 8,510,504,000 (the corresponding period of 2022: 8,847,086,000) ordinary shares in issue during the period, after adjusting the effect of shares repurchased and held by the Company's share award scheme.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares from the share award scheme.

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings:		
Earnings for the purpose of basic earnings per share	**496,304**	443,179
Earnings for the purpose of diluted earnings per share	**496,304**	443,179
	000'shares	*000'shares*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**8,510,504**	8,847,086
Effect of dilutive potential ordinary shares:		
Share award scheme	**32,845**	42,982
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**8,543,349**	8,890,068

10 Dividend

During the current interim period, a final dividend of HK$0.035 per ordinary share in respect of the year ended 31 December 2022 (the year ended 31 December 2021: HK$0.03) was declared to the owners of the Company. The aggregate amount of final dividend declared in the current interim period equivalent to approximately RMB278,487,000 (the corresponding period of 2022: RMB230,272,000). The dividend has been paid on 18 July 2023 (2022: 29 July 2022).

The directors of the Company have determined that no dividend will be paid in respect of the interim period (the corresponding period of 2022: nil).

11 Contract Assets

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Retention money	**188,708**	186,939
Contract assets arising from performance under construction contracts	**47,594**	19,789
	236,302	206,728
Analysed for reporting purposes as:		
Current assets	**236,302**	206,728
	236,302	206,728

12 Trade and bills receivable

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivable, at amortised cost	**601,609**	552,868
Tariff adjustment receivable, at amortised cost	**1,002,961**	811,282
Bills receivable, at FVTPL	**70,011**	8,564
	1,674,581	1,372,714
Impairment loss on trade receivable	**(3,908)**	(3,092)
	1,670,673	1,369,622

As at 30 June 2023, the ageing analysis of the trade receivable, net of impairment loss on trade receivable, presented based on invoice date, is as follows:

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**405,429**	342,775
3 to 6 months	**94,611**	49,612
6 to 12 months	**32,870**	54,356
1 to 2 years	**49,533**	86,759
Over 2 years	**15,258**	16,274
	597,701	549,776

The Group's credit terms granted to customers ranging from 30 to 180 days, except for tariff adjustment receivable recognised by the power plants which have not been included in the Catalogue. On certain construction revenue and equipment sales projects, the Group generally grants project final acceptance period and retention period to its customers ranging from 1 to 2 years from the date of acceptance according to the sales agreements signed between the Group and customers.

As at 30 June 2023, the ageing analysis of the tariff adjustment receivable, based on the revenue recognition date, is as follows:

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**105,148**	106,622
3 to 6 months	**101,487**	82,315
6 to 12 months	**188,937**	196,455
Over 1 year	**607,389**	425,890
	1,002,961	811,282

13 Assets / liabilities classified as held for sale

During the current interim period, the Group decided to dispose of its controlling equity interests in certain subsidiaries, which are mainly engaged in wind power plant operations. Given the consideration that net proceeds from the disposal may exceed the net value of assets and liabilities, no impairment loss was recognized.

As at 30 June 2023, the assets and liabilities attributable to these subsidiaries, which were expected to be sold within twelve months, have been classified as held for sales and are presented separately in the consolidated statement of financial position:

	30 June 2023
	RMB'000 **(Unaudited)**
Property, plant and equipment	**1,008,358**
Right-of-use assets	**41,330**
Intangible assets	**9,928**
Prepayments, deposits and other receivables	**191,652**
Trade and bills receivable	**11,625**
Cash and cash equivalents	**66,925**
Assets classified as held for sale	**1,329,818**
Other borrowings	**1,545,400**
Current income tax liabilities	**661**
Other payables and accruals	**18,792**
Liabilities associated with assets classified as held for sale	**1,564,853**

The above assets/liabilities classified as held for sale excluded the net receivable due from intra-group entities as at 30 June 2023 totalling RMB370,798,000.

14 Trade and bills payable

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payable	**571,798**	500,932
Bills payable	**647,314**	761,638
	1,219,112	1,262,570

As at 30 June 2023, the ageing analysis of the trade payable, based on invoice date, is as follows:

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**111,018**	94,006
3 to 6 months	**17,811**	60,287
6 to 12 months	**109,836**	7,041
1 to 2 years	**7,251**	33,755
Over 2 years	**325,882**	305,843
	571,798	500,932

15 Share capital

Ordinary shares issued of HK$0.01 each:

	No. of shares	**Nominal value**
	000' shares	*RMB'000*
As at 1 January 2023: (Audited)	8,975,469	77,443
Cancellation of ordinary shares *(Note)*	**(345,390)**	**(3,149)**
As at 30 June 2023: (Unaudited)	**8,630,079**	**74,294**

Note:

During the Period, the Group cancelled 345,390,000 shares, which were repurchased at a consideration of RMB205,585,000.

Treasury shares

As at 30 June 2023, 107,720,000 ordinary shares are held as treasury shares of the Company (31 December 2022: 495,740,000 shares).

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS ENVIRONMENT

Since 2023, the energy crisis triggered by the COVID-19 pandemic and the Russia-Ukraine conflict has eased. However, soaring inflation, currency tightening, and international geopolitical tensions in many countries have brought about sustained uncertainty. According to the United Nations' report "World Economic Situation and Prospects 2023", the global economic growth rate is expected to decline to a near-decade low of 1.9% in 2023, with some major economies facing recession challenges.

With the improvement in the cost competitiveness of renewable energy, energy security, and the need to address climate change, global renewable energy investment continues to grow. According to the "World Energy Investment 2023" report by the International Energy Agency, global clean energy investment is projected to increase to $1.7 trillion in 2023. China, the European Union, and the United States are leading the way globally in terms of investment scale.

(1) The Upsizing Trend of Wind Turbine Continues, the Cost of Wind Turbine is Relatively Stable with Declines

During the reporting period, wind turbines continued the trend towards larger size turbines, taller towers, and longer blades. Onshore wind turbines have introduced the 10MW model, while offshore wind turbines have reached 18MW. With the raw material price drops and supply chain improvements, global wind turbine prices have remained relatively stable with declines over the past six months. Chinese wind turbine manufacturers maintained their competitiveness in the international market by leveraging technological innovations and scale advantages. The price reduction is more significant in the Chinese market.

(2) N-type Solar Panels Win Market Popularity, Price is Falling as Production Rises

Global demand for photovoltaic panels keeps strong, and the overall market is expected to maintain high-speed growth. Some countries are increasing their policy support for the localization of the solar power supply chain, while photovoltaic panel manufacturers from China have significant advantages in terms of panel efficiency, production capacity, and cost competitiveness. N-type photovoltaic panels, mainly TOPCon, win market popularity due to their higher efficiency, and its market penetration rate is rapidly increasing. As a result of the production capacity rise of the solar photovoltaic supply chain, solar panel prices have entered a rapid downward trend.

(3) Novel Energy Storage Market Flourishes, Promising Future for Green Hydrogen Industry

The novel energy storage market, particularly battery energy storage, is experiencing rapid growth. China, the United States, and the European Union are the major players in the global utility-scale energy storage market. This growth is driven by innovations in energy storage technologies and the scale-up of production capacity of their supply chain. As a result, the levelized cost of energy storage has been consistently decreasing.

Hydrogen features multiple advantages, including long-duration energy storage, long-distance transportation, and plays a vital role for industrial decarbonization. It is widely recognized as a crucial pathway to a high penetration of renewable energy and deep industrial decarbonization. Governments worldwide generally hold an optimistic outlook on green hydrogen, actively support the technological innovation of the green hydrogen industry chain, and promote the implementation of green hydrogen pilot projects. It is expected to gradually realize the economic viability and widespread business operation of green hydrogen.

(4) Green Electricity and Green Certificate Policies Successively Introduced, the CCER Market Restart is in Sight

The China's government has implemented a series of proactive policies to enhance green energy consumption, ensure full-coverage issuance of green certificates, incentivize projects of green subsidies to engage in green electricity trading, strengthen the integration with carbon trading, and improve the guarantee mechanism for renewable energy consumption through green certificates and green electricity trading.

The Ministry of Ecology and Environment of China has announced that the construction of the CCER (China Certified Emission Reduction) system, the selection of methodologies, and the preparation of trading platforms are progressing smoothly. It is anticipated that CCER will resume operations within this year.

II. Business Review

In the first half of 2023, the Group's attributable power generation achieved a strong growth, while further achievements have been made in project development. The scale of projects under construction kept high. Business sectors have maintained a continuous development momentum, the financing structure has been continuously optimized, and the service business has steadily advanced.

In the first half of 2023, the Group achieved a total revenue of RMB 1,490,141,000 (1H2022: RMB 1,339,182,000), an increase of 11.3% compared with the same period last year. The profit attributable to the equity holders of the Group was RMB 496,304,000 (1H2022: RMB 443,179,000), an increase of 12.0% over the same period last year; basic earnings per share were RMB 5.83 cents (1H2022: RMB 5.01 cents); diluted earnings per share were RMB 5.81 cents (1H2022: RMB 4.99 cents).

As of 30 June 2023, the net asset value of the Group was RMB 8,293,159,000 (31 December 2022: RMB 8,094,892,000), and the net assets per share were RMB 0.94 (31 December 2022: RMB 0.91).

As of 30 June 2023, the Group held cash and bank balances of approximately RMB 3,429,170,000 (31 December 2022: RMB 4,049,279,000); the Group's bank loans and other loans principal loan balance was RMB 14,468,571,000 (31 December 2022: RMB 13,321,143,000); the asset-liability ratio is 72.14% (31 December 2022: 70.21%).

(1) Safe and Efficient Production and Operation, Steady Growth in Electricity Generation, Increased Revenue of Green Electricity and Green Certificates

1. Safe and Efficient Operation of Power Plants, Steady Growth in Power Generation

During the reporting period, the Group made continuous efforts to comply with the safety management policy of "Safety First, Prevention Priority, and Comprehensive Management". We focused on improving the safety management system, strengthening production safety accountability, and strictly implementing safety training, supervision, examination, and risk identification and mitigation. We also emphasized the importance of building a safety culture. Through the implementation of special initiatives such as the Spring Safety Inspection, the Group has successfully enhanced the overall safety level and ensured the safe and stable operation of power plants.

During the reporting period, the Group's power plants maintained a safe and stable production environment, with no incidents of personal injury or significant equipment accidents. This ensured a reliable and stable power supply, as well as the safety of personnel and property.

During the reporting period, the Group's attributable power generation experienced significant growth of 25.2% compared to the same period of the previous year. Specifically, the attributable power generation of wind power plants saw a year-on-year increase of 26.5%, while the attributable power generation of solar PV power plants recorded a year-on-year increase of 14.6%.

Attributable Power Generation（GWh）

Business Segments	1H 2023	1H 2022	Change Rate
Wind Power	3,743	2,959	26.5%
Solar PV	408	356	14.6%
Total	4,151	3,315	25.2%

In the first half of 2023, the Group's power plants experienced improvements in quality due to factors such as an increase in the proportion of projects with higher utilization hours, enhanced production management, and shorter troubleshooting duration. This resulted in a continued increase in the average utilization hours of wind power plants. During the first half of the year, the weighted average utilization hours of the Group's invested wind power plants reached 1,353, which was 32 hours higher compared to the same period of the previous year. It was also 9.4% higher than the national average. However, there was a decrease in the weighted average utilization hours of the Group's invested solar power plants, which amounted to 731. This decrease of 60 hours compared to the same period of the previous year can be attributed to the slower optimization of power grid structure in certain regions of China, which lagged behind the growth of installed capacity of new power plants. As a result, the curtailment rate of some power plants within the Group increased.

Weighted Average Utilization Hours of Power Plants (Hours)

	Power Plants invested by the Group			China's Average	Higher than China's Average
Business Segments	1H 2023	1H 2022	Change	1H 2023	1H2023
Wind Power	1,353	1,321	2.4%	1237	9.4%
Solar PV	731	791	-7.6%	658	11.1%

In the first half of 2023, the Group's invested wind power plants experienced an average curtailment rate of 4.0%, while the solar power plants had an average curtailment rate of 6.3%. Both of them demonstrated a slight increase compared to the same period of the previous year.

Curtailment Rates (%)

	Curtailment Rates of the Group's Invested Power Plants		
Business Segments	1H2023	1H2022	Change Rate
Wind Power	4.0%	3.4%	0.6%
Solar PV	6.3%	4.4%	1.9%

2. Continuous Growth in Power Generation Revenue and Profit, Increased Contribution from Green Electricity and Green Certificates

Benefiting from the continuous increase in the capacity of high-quality grid parity projects, the asset quality of the Group’s power generation has continued to improve. At the same time, green electricity trading and green certificate sales have achieved remarkable results, the revenue and net profit from power generation have maintained year-on-year growth.

During the first half of 2023, the Group's subsidiary-owned power plants generated a total revenue of RMB 1,195,597,000, representing a 14.5% increase compared to the same period in the previous year. The revenue accounted for 80.2% of the Group's total revenue.

During the first half of 2023, the Group's subsidiary-owned power plants recorded a total net profit of RMB 489,433,000 from power generation, reflecting an 11.87% increase compared to the same period in the previous year. The Group's share in the net profit from the power generation business of associates and joint ventures amounted to RMB 143,920,000.

In the first half of 2023, the Group's green electricity trading volume reached 475 million kWh, resulting in an increase in green electricity trading revenue of over RMB 12,000,000. Continuously strengthening green certificate market promotion, the Group secured approximately RMB 30,000,000 newly signed green certificate sales contracts, positioning its revenue among the top in the sector.

Revenue and Net Profit from Power Plants (RMB: thousand)

	1H2023	1H2022	Change Rate
Revenue from Subsidiary-owned Power Plants	**1,195,597**	**1,044,201**	14.50%
Including: Wind Power	1,011,545	886,417	14.12%
Solar PV	184,052	157,784	16.65%
Net Profits from Subsidiary-owned Power Plants	**489,433**	**437,502**	11.87%
Including: Wind Power	437,959	375,240	16.71%
Solar PV	51,474	62,262	-17.33%
Net Profit from Jointly-owned and Associated Power Plants	**143,920**	**111,445**	29.14%
Including: Wind Power	141,193	108,928	29.62%
Solar PV	2,727	2,517	8.34%

3. A Slight Decrease of the Weighted Average Electricity Sale Price

During the reporting period, the weighted average sale price of electricity generated by the power plants invested by the Group has slightly decreased, due to factors such as the increase in the proportion of grid parity projects, the electricity trading and the rise of auxiliary service charges. In some provinces, green electricity trading has been organized, resulting in an increase in the trading price compared to the original sale price. With the decline in capital expenditure per kW of new projects and the continuous optimization of the quality of existing power plants, the Group’s levelized cost of electricity will continue to decrease. This reduction will mitigate the impact of the downward of electricity sale price, ensuring the Group's sustained and healthy development.

Weighted Average Sale Price of Electricity(RMB/kWh) (Including VAT)

Business Segments	1H2023	1H2022	Change
Wind Power	**0.4276**	**0.4649**	**-0.0373**
Solar PV	**0.5128**	**0.5338**	**-0.0210**

(2) New Achievements in Project Development, Overcoming Difficulties in Project Construction

1. Obtained New Accomplishments in project development, Steadily Expanding the International Market

The Group is fully committed to implementing the new development strategy, closely monitoring the new energy development policies in various countries. Leveraging its strengths, the Group is tailoring its approach to local conditions and proactively developing greenfield projects through a comprehensive set of measures, thereby continuously expanding its pipeline of wind and solar power projects.

During the reporting period, the Group successfully acquired 347.5 MW of wind power projects and 136 MW of solar power projects in China (Approved as provincial annual construction plans). Additionally, we obtained approvals/registrations for 5 wind power projects and 2 solar power projects, with a combined capacity of 706 MW. The Group secured new contracts for 1,620 MW of wind power resources and 1,150 MW of solar power resources. As of the end of June 2023, the Group has signed contracts for a total of 19.26 GW of wind and solar resource reserves to be developed, including approximately 12.53 GW of wind power and 6.73 GW of solar power.

The Group has been implementing international market expansion in multiple countries and establishing a professional international development and engineering management team. We have made progress in building our organizational structure of international business. By adapting to target market conditions, we have been actively acquiring resources for new energy projects and steadily expanding our presence in the international market.

2. Proactively Addressing the Project Bottlenecks, Steadily Advancing Project Construction

As of the first half of 2023, the Group has maintained a high level of project construction activities, with a total capacity of 2,194 MW from 23 ongoing and preparatory power plant projects. Some project commencements have been postponed due to factors such as delays of grid connection issues and approval procedures for forest and land use. The Group has proactively addressed challenges by planning ahead, diligently preparing for construction, enhancing management practices. The Group is determined to overcome obstacles and continuously advance project construction.

As of 30 June 2023, the Group's attributable installed capacity for wind and solar photovoltaic power plants in business operation amounted to 3,640 MW (Compared to 2,876 MW on 30 June 2022). Among them, the installed capacity for wind power reached 3,189 MW, while the installed capacity for solar power reached 451 MW. The Group's installed capacity of grid-parity projects has reached 2,213 MW, accounting for 60.8% of the Group's attributable installed capacity.

Attributable Installed Capacity (MW)

Business Segments	1H2023	1H2022	Change Rate
Wind Power	3,189	2,425	31.5%
Solar PV	451	451	0.0%
Total	3,640	2,876	26.6%

(3) Continuous Optimization of Financing Structure, Financing Costs Remained Low

The Group has been actively enhancing its credit advantages in the financial market and expanding its financing channels both in China and internationally. Customized financing plans are designed for new projects based on the characteristics of project assets and financing needs. Additionally, existing projects undergo continuous optimization of leverage ratios and interest costs through financing replacements, resulting in improved asset efficiency. During the reporting period, the Group achieved a significant reduction in financing costs for new projects, reaching a record low financing rate.

The Group always upholds the awareness of operational excellence. By closely monitoring the financial market trends, proactively planning and making decisive decisions, the Group has taken early repayment actions on US dollar debts to reduce financial costs and achieve interest savings and exchange gains.

As of 30 June 2023, the balance of loans obtained by the Group with houses and machinery and equipment mortgaged amounted to RMB 11,580,052,000 (31 December 2022: RMB 10,488,820,000).

As of 30 June 2023, the capital expenditure in respect of acquisition of property, plant and equipment contracted for but not yet provided amounted to RMB 3,876,707,000 (31 December 2022: RMB 2,380,563,000).

(4) Intelligent Operation & Maintenance

During the reporting period, the Group's intelligent O&M segment achieved a revenue of RMB 158,938,000 (1H2022: RMB 115,718,000), representing a year-on-year increase of 37.3%.

The intelligent O&M segment continues to enhance its service scenarios, offering a wide range of operations and O&M management services for various clean energy assets. These assets include onshore wind power, offshore wind power, distributed wind power, centralized solar PV, distributed solar PV, household solar PV, energy storage station, wind-solar-storage integration project, heating and cooling equipment and more. The intelligent O&M segment provides customers with data-driven one-stop services, including total asset management, equipment governance, intelligent diagnosis, maintenance decision-making, on-site O&M, technical services, spare parts supply and maintenance, intelligent operation platform and data analysis services, among others. In response to the trend of market-oriented reform, the self-developed "Lingfeng" technical support system has been launched, marking the rapid start of the electricity trading service business. The one-stop digital solution, PowerVilla, has been launched to continuously improve the technological capabilities that ensure the profitability of household PV.

In the first half of 2023, the total O&M capacity of the intelligent O&M segment reached a record high, and continued to maintain its leading position in the sector.

(5) Power Design, Leasing and Other Service Businesses

During the reporting period, the Group's design segment, in line with the Group's new development strategy, made continuous efforts to enhance its core capabilities in consulting and design, and it focused on expanding its external service business, further strengthening its strength and business scale. As a result of these efforts, it was recognized and listed in Beijing's "specialized, refined, and innovative" SME as well as "technology-based SMEs".

During the reporting period, the Group's leasing segment engaged in financial leasing activities focused on distributed solar and distributed wind power plants. Additionally, the segment proactively expanded into new areas such as energy storage and incremental distribution networks within the renewable energy industry chain. The volume of newly signed contracts for external business continued to grow compared to the same period last year. The leasing segment also maintained collaborations with financial institutions and strengthened its financing capabilities through bank factoring and credit facilities, among other means.

III. Environmental Protection, Compliance and Social Responsibility

In addition to financial performance, the Group places a strong emphasis on pursuing environmental, social, and economic benefits. It fully integrates the Environmental, Social, and Governance (ESG) strategy into its five-year development strategy, operates its business responsibly, and promotes the harmonious coexistence of humanity and nature.

(1) Environmental Policies and Performances

During the reporting period, the Group continued to develop low-carbon electricity generation businesses such as wind and solar power to reduce greenhouse gas and air pollutant emissions, to save consumption of standard coal and water resources for the society. Additionally, the Group actively addressed the challenges of climate change by strengthening its own environmental management and reducing its environmental impact.

Emission Reduction from Power Plants

Emission Reduction Indicators	1H2023	Accumulated Amount
CO_2 (Kilotons)	4,259	51,803
SO_2 (Tons)	1,016	28,774
NO_x (Tons)	1,060	26,569
Standard Coal Saving (Kilotons)	1,665	19,338
Water Saving (Kilotons)	6,576	106,950

(2) Social Responsibility

Adhering to the value of people-oriented, value creation, and pursuit of excellence, the Group is committed to upholding and safeguarding the legitimate rights of all employees. It places a strong focus on the professional development, personal growth, and physical and mental well-being of its workforce. The Group organizes various employee care initiatives and offers diverse training opportunities, aiming to foster the mutual growth of both the enterprise and its employees.

The Group actively engages in the China's strategy of rural vitalization and common prosperity, and is dedicated to promoting various public welfare projects that contribute to local community development and giving back to society through actions. During the reporting period, the Group implemented public welfare initiatives in China's multiple provinces. These initiatives included supporting local industrial development in Heilongjiang Province, assisting rural vitalization in Guizhou Province, focusing on youth development in Hubei Province, supporting cultural and sports development in Yunnan Province, and donating sports facilities in Hebei Province. The total value of donations exceeded 24 million RMB.

IV. Outlook

Looking forward to the second half of the year, in the era that technological innovations continuously motivate the global energy transition, renewable energy will continue its overall trend of rapid development. The Group will conscientiously implement its new development strategy, seize the time opportunity, and plan for development. The Group will focus on the following tasks:

1. Ensure Safe Production and Prioritize Trading to Enhance Power Generation Profitability

The Group will continue to prioritize the safe production of power plants, diligently fulfill safety responsibilities, conduct rigorous inspections of potential safety hazards, carry out technical upgrades and defect elimination, develop contingency plans to respond to emergencies and adverse weather conditions, and ensure the stability and safety of the Group's production. We will raise the awareness of operational excellence among all employees, actively leverage digital technologies in power plants to reduce costs and improve efficiency, and steadily enhance power generation profitability.

The Group will proactively adapt to the electricity market-oriented reform, placing significant emphasis on contracting medium and long-term PPA as well as electricity spot trading. We will focus on continuously optimizing our electricity trading strategies, increasing our participation in green electricity trading and inter-provincial trading, and strengthening the promotion of green certificate sales. Through these multiple measures, we aim to continuously improve power generation profits.

2. Concentrate on Renewable Energy Project Development, Steadily Expand the International Market

The Group will continue to optimize its development layout, innovate development models, actively plan demonstration projects and comprehensive governance projects, and strive to acquire high-quality resources. We will expand new energy-related businesses according to local conditions. We will closely monitor project costs and market dynamics, anticipate the impact of electricity market-oriented reform on returns, optimize technical proposals, and control investment pace reasonably to maximize project benefits throughout the full lifecycle of projects.

We will focus on establishing a strong presence in international markets. This includes conducting in-depth research on key country policies and revenue models, enhancing the capacity of our international business team, innovating investment models of the international market, and actively developing solar and wind power projects.

3. Overcome Challenges by Optimization and Coordination, Strengthen Management to Promote Construction

The Group will continuously optimize and coordinate each phase of project construction, and ensure thorough and meticulous preparations for the commencement of projects. We will actively address challenges encountered in power grid connection procedures, forestry and land use procedures, environmental protection, and soil and water conservation, in order to expedite project commencements. Additionally, the Group will continue to enhance project construction management by optimizing engineering design and construction organization plans. We will strictly adhere to safety standards, maintain high quality control, and closely monitor cost progress, to ensure steady growth of the attributable installed capacity.

4. Vigorously Develop the Intelligent O&M Business, Promote the Synergetic Development of Service Businesses

The Group is committed to the continuous growth of its intelligent operation and maintenance business. By integrating advanced digital technology, AI algorithms, intelligent sensors, inspection robots and drones with the POWER+ platform, we aim to accumulate data assets of energy and service, leading to the enhancement of our intelligent O&M technological capabilities. We will continue to expand the scale of our intelligent O&M services, improving service quality and actively diversifying our service offerings. Additionally, we will strive to enhance the level of our design and consulting business while maintaining high service quality standards. We will also actively engage in financial leasing activities of distributed solar PV, user-side energy storage, and comprehensive energy management, aiming to achieve synergistic development within our service businesses.

5. Continuously Raise Awareness of Operational Excellence and Optimize Asset Quality

The Group will continue to raise its awareness of operational excellence and focus on the management concept of "Pursuing the lowest LCOE". We will carry out cost reduction and efficiency improvement measures throughout the entire lifecycle to enhance the Group's profit. Additionally, we will actively expand financing channels, diversify financing models, and further reduce financing costs. We will persist in asset quality analysis and optimize asset quality by utilizing various means such as equipment governance, technological transformation, intelligent operation, and innovative financing.

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

During the six months ended 30 June 2023, the Company repurchased a total of 11,170,000 ordinary shares of the Company for an aggregate consideration of HK$8,354,900 (equivalent to approximately RMB7,333,000) on The Stock Exchange of Hong Kong Limited. All of the purchased shares were cancelled by the Company and the issued share capital of the Company was reduced in July 2023. Details of the share repurchases during the period are as follows:

	Share Repurchased	**Purchase Price per Share**		
Month	**Number**	**Highest** HK$	**Lowest** HK$	**Aggregate Amount** HK$
March 2023	11,170,000	0.76	0.72	8,354,900
	11,170,000			**8,354,900**

Save as disclosed above, neither the Group, nor any of its subsidiaries purchased, sold or redeemed any of the Group's listed securities during the period under review.

CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2023, the Board has reviewed the Group's corporate governance code and is satisfied that the Company has complied with the provisions of the relevant Corporate Governance Code (the "CG Code") from time to time, as set out in Appendix 14 to the Listing Rules.

All other information on the Corporate Governance Code of the Company has been disclosed in the Corporate Governance Report contained in the 2022 annual report of the Company issued in April 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 to the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have always complied with the required standards set out in the Model Code throughout the six months ended 30 June 2023.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company, Mr. Yap Fat Suan, Henry, Ms. Huang Jian and Mr. Zhang Zhong. Mr. Yap Fat Suan, Henry is the chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the CG Code. The Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023 have been reviewed by the Audit Committee.

For and on behalf of

Concord New Energy Group Limited

Chairman

Liu Shunxing

Hong Kong, 1 August 2023

As at the date of this announcement, the Board comprises Mr. Liu Shunxing (Chairman), Ms. Liu Jianhong (Vice Chairperson), Mr. Gui Kai (Chief Executive Officer), Mr. Niu Wenhui, Mr. Zhai Feng and Ms. Shang Jia (all of above are executive Directors), Mr. Wang Feng (who is a non-executive Director) and Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang, Ms. Huang Jian, Mr. Zhang Zhong and Ms. Li Yongli (who are independent non-executive Directors).