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四川能投發展股份有限公司  
**Sichuan Energy Investment Development Co., Ltd.\***

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 01713)**

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

The Board of Directors of Sichuan Energy Investment Development Co., Ltd.\* is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2023 (the “**2023 Interim Results**”), together with the comparative figures for the corresponding period in 2022. The 2023 Interim Results have been reviewed by the Audit Committee.

Certain amounts and percentages contained in this announcement have been rounded to either one or two decimal places, and the difference between the total and the sum of addends as set out in any table, diagram or elsewhere, if any, is a result of rounding.

## CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 RMB (unaudited)	2022 RMB (unaudited)
Operating revenue	3	<u>1,833,386,031.70</u>	<u>1,502,213,920.97</u>
Less: Cost of sales		<b>1,592,721,352.31</b>	1,246,789,995.27
Taxes and surcharges	4	<b>6,376,311.45</b>	9,356,010.24
Administrative expenses		<b>94,941,326.20</b>	85,596,927.76
Finance costs	5	<b>2,393,801.02</b>	4,526,607.04
Including: Interest expenses		<b>5,127,002.44</b>	5,049,699.71
Interest income		<b>3,343,389.57</b>	2,927,699.67
Add: Investment income/(loss)	6	<b>(6,947,510.74)</b>	4,790,775.71
Including: Gain/(loss) on investment in associates	6	<b>(6,947,510.74)</b>	3,907,609.35
Gain/(loss) on fair value changes		<b>1,587,200.00</b>	169,906.85
Credit impairment (loss)/gain	7	<b>8,805,519.70</b>	(5,118,552.05)
Asset impairment (loss)/gain	8	<b>225,507.83</b>	(328,549.78)
(Loss)/gain on asset disposal		–	(320.27)
Other income		<b>4,238,819.00</b>	109,897.31
Operating profit		<u><b>144,862,776.51</b></u>	<u>155,567,538.43</u>
Add: Non-operating income	9(1)	<b>17,838,443.48</b>	7,667,963.58
Less: Non-operating expenses	9(2)	<b>5,371,125.64</b>	4,337,197.67
Total profit		<u><b>157,330,094.35</b></u>	<u>158,898,304.34</u>
Less: Income tax expenses	10	<b>28,228,525.49</b>	29,157,529.52
Net profit		<u><b>129,101,568.86</b></u>	<u>129,740,774.82</u>

**CONSOLIDATED INCOME STATEMENT (continued)***For the six months ended 30 June 2023*

		<b>Six months ended 30 June</b>	
		<b>2023</b>	<b>2022</b>
	<i>Note</i>	<b>RMB</b>	<b>RMB</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
(i) Breakdown by continuity of operation:			
1. Net profit from continuing operations		<b>129,101,568.86</b>	129,740,774.82
2. Net profit from discontinued operations		–	–
(ii) Breakdown by attributable interests:			
1. Net profit attributable to shareholders of the parent company		<b>128,363,115.12</b>	129,713,416.10
2. Non-controlling interests		<b>738,453.74</b>	27,358.72
Other comprehensive income, after tax		–	–
Total comprehensive income		<b><u>129,101,568.86</u></b>	<b><u>129,740,774.82</u></b>
Total comprehensive income attributable to shareholders of the parent company		<b><u>128,363,115.12</u></b>	<b><u>129,713,416.10</u></b>
Total comprehensive income attributable to non-controlling interests		<b><u>738,453.74</u></b>	<b><u>27,358.72</u></b>
Earnings per share			
Basic and diluted	<i>11</i>	<b><u>0.12</u></b>	<b><u>0.12</u></b>

## CONSOLIDATED BALANCE SHEET

As at 30 June 2023

		As at 30 June 2023 RMB (unaudited)	As at 31 December 2022 RMB (audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		622,717,390.18	770,087,145.82
Financial assets held for trading		1,587,200.00	–
Notes receivable		10,487,510.66	200,000.00
Accounts receivable	14	278,119,953.53	363,526,861.94
Prepayments		34,603,794.27	14,919,626.24
Other receivables		15,389,260.84	22,186,662.89
Inventories	15	94,038,731.31	87,892,616.33
Contract assets		281,659,970.49	74,010,659.53
Other current assets		30,362,333.23	40,005,526.27
<b>Total current assets</b>		<b>1,368,966,144.51</b>	<b>1,372,829,099.02</b>
<b>Non-current assets</b>			
Long-term equity investments		351,217,705.44	242,965,216.18
Other non-current financial assets		170,250.00	170,250.00
Fixed assets	13	3,003,290,859.82	3,062,952,630.19
Construction in progress		630,827,570.53	272,105,986.58
Right-of-use assets		7,727,361.88	6,597,730.52
Intangible assets		150,626,696.45	149,469,058.02
Long-term prepaid expenses		4,040,059.02	3,314,992.28
Deferred income tax assets		29,159,160.06	37,605,948.52
<b>Total non-current assets</b>		<b>4,177,059,663.20</b>	<b>3,775,181,812.29</b>
<b>Total assets</b>		<b>5,546,025,807.71</b>	<b>5,148,010,911.31</b>

**CONSOLIDATED BALANCE SHEET (continued)**

As at 30 June 2023

		As at 30 June 2023 RMB (unaudited)	As at 31 December 2022 RMB (audited)
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term borrowings		200,000,000.00	300,000,000.00
Accounts payable	16	641,496,202.10	598,916,839.30
Contract liabilities		239,424,164.87	295,247,950.78
Employee benefits payable		85,960,554.00	129,350,952.84
Tax payable		29,793,515.13	58,447,348.06
Other payables		243,746,860.97	115,414,446.80
Non-current liabilities due within one year		22,868,329.54	14,197,718.07
<b>Total current liabilities</b>		<b>1,463,289,626.61</b>	<b>1,511,575,255.85</b>
<b>Non-current liabilities</b>			
Long-term borrowings		290,000,000.00	–
Lease liabilities		5,292,842.64	4,163,211.28
Deferred income		132,716,367.04	136,586,729.31
Deferred income tax liabilities		16,492,878.60	16,492,878.60
Long-term payables		456,271,287.09	293,974,587.09
<b>Total non-current liabilities</b>		<b>900,773,375.37</b>	<b>451,217,406.28</b>
<b>Total liabilities</b>		<b>2,364,063,001.98</b>	<b>1,962,792,662.13</b>

**CONSOLIDATED BALANCE SHEET (continued)***As at 30 June 2023*

	<b>As at 30 June 2023 RMB (unaudited)</b>	<b>As at 31 December 2022 RMB (audited)</b>
<b>Shareholders' equity</b>		
Share capital	<b>1,074,357,700.00</b>	1,074,357,700.00
Capital reserve	<b>1,081,447,605.75</b>	1,081,447,605.75
Other comprehensive income	–	–
Special reserve	<b>12,094,226.45</b>	15,112,314.76
Surplus reserve	<b>132,895,011.72</b>	132,895,011.72
Undistributed profit	<b>842,993,253.85</b>	843,553,062.73
	<hr/>	<hr/>
<b>Total equity attributable to shareholders of the parent company</b>	<b>3,143,787,797.77</b>	3,147,365,694.96
	<hr/>	<hr/>
<b>Non-controlling interests</b>	<b>38,175,007.96</b>	37,852,554.22
	<hr/>	<hr/>
<b>Total shareholders' equity</b>	<b>3,181,962,805.73</b>	3,185,218,249.18
	<hr/>	<hr/>
<b>Total liabilities and shareholders' equity</b>	<b>5,546,025,807.71</b>	5,148,010,911.31
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## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### 1. BASIS OF PREPARATION

Sichuan Energy Investment Development Co., Ltd.\* (the “**Company**”) is a joint stock company with limited liability established and domiciled in the People’s Republic of China (the “**PRC**”).

The Company prepares its financial statements on a going concern basis.

These financial statements have been prepared in accordance with the requirements of the China Accounting Standards for Business Enterprises (the “**Accounting Standards for Business Enterprises**”) issued by the Ministry of Finance of the People’s Republic of China (the “**MOF**”) and give a true and complete view of the consolidated financial position of the Company as of 30 June 2023 and the consolidated operating results for the period from January to June 2023.

### 2. ACCOUNTING POLICIES AND CHANGES

The Group’s current accounting period has no material impact on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not adopted any new standard or interpretation that is not yet effective for the current accounting period.

### 3 OPERATING REVENUE

#### (1) Operating revenue

Item	Six months ended 30 June	
	2023 RMB	2022 RMB
Revenue from principal business	1,829,746,480.01	1,498,732,043.43
Revenue from other business	3,639,551.69	3,481,877.54
Total	<u>1,833,386,031.70</u>	<u>1,502,213,920.97</u>
Including: Revenue from contracts	<u>1,833,386,031.70</u>	<u>1,500,731,523.93</u>

(2) Revenue from contracts of the Group

Type of contracts	Six months ended 30 June	
	2023	2022
	RMB	RMB
Classified by contract type		
Power supply contracts	1,673,522,074.59	1,324,765,990.74
Contracts of power installation projects	158,792,317.44	165,606,118.60
Material sales contracts	1,071,639.67	10,359,414.59
Total	<u>1,833,386,031.70</u>	<u>1,500,731,523.93</u>
Classified by timing of revenue recognition		
Revenue recognized at a point in time	1,674,593,714.26	1,335,125,405.33
Revenue recognized over time	158,792,317.44	165,606,118.60
Total	<u>1,833,386,031.70</u>	<u>1,500,731,523.93</u>

4. TAXES AND SURCHARGES

	Six months ended 30 June	
	2023	2022
	RMB	RMB
City maintenance and construction tax	1,124,436.55	2,573,312.43
Education surcharge	973,232.48	1,468,837.24
Housing property tax	1,978,967.93	1,958,720.11
Others	2,299,674.49	3,355,140.46
Total	<u>6,376,311.45</u>	<u>9,356,010.24</u>



## 5. FINANCE COSTS

	Six months ended 30 June	
	2023	2022
	<i>RMB</i>	<i>RMB</i>
Interest expense on loans and payables	5,127,002.44	5,049,699.71
Interest expense on lease liabilities	146,611.74	135,864.14
Interest income on deposits	(3,343,389.57)	(2,927,699.67)
Foreign exchange losses/(gains)	(224,847.90)	1,194,880.90
Other finance costs	688,424.31	1,073,861.96
	<u>2,393,801.02</u>	<u>4,526,607.04</u>

## 6. INVESTMENT INCOME/(LOSS)

	Six months ended 30 June	
	2023	2022
	<i>RMB</i>	<i>RMB</i>
Income from long-term equity investments accounted for under cost method	-	-
Income/(loss) from long-term equity investments accounted for under equity method	(6,947,510.74)	3,907,609.35
Investment income from financial assets at fair value through profit or loss	-	883,166.36
	<u>(6,947,510.74)</u>	<u>4,790,775.71</u>

## 7. CREDIT IMPAIRMENT (LOSS)/GAIN

	Six months ended 30 June	
	2023	2022
	<i>RMB</i>	<i>RMB</i>
Accounts receivable	3,614,079.67	(7,043,203.55)
Other receivables	5,191,440.03	1,924,651.50
Contract assets	-	-
	<u>8,805,519.70</u>	<u>(5,118,552.05)</u>

## 8. ASSET IMPAIRMENT (LOSS)/GAIN

	Six months ended 30 June	
	2023	2022
	<i>RMB</i>	<i>RMB</i>
Fixed assets	225,507.83	(328,549.78)
Intangible assets	–	–
Inventories	–	–
Total	<u>225,507.83</u>	<u>(328,549.78)</u>

## 9. NON-OPERATING INCOME AND EXPENSES

### (1) Non-operating income

	Six months ended 30 June	
	2023	2022
	<i>RMB</i>	<i>RMB</i>
Government grants	15,885,177.88	3,643,159.20
Others	<u>1,953,265.60</u>	<u>4,024,804.38</u>
Total	<u>17,838,443.48</u>	<u>7,667,963.58</u>

### (2) Non-operating expenses

	Six months ended 30 June	
	2023	2022
	<i>RMB</i>	<i>RMB</i>
Donations	4,551,889.29	–
Others	<u>819,236.35</u>	<u>4,337,197.67</u>
Total	<u>5,371,125.64</u>	<u>4,337,197.67</u>

## 10. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
	<i>RMB</i>	<i>RMB</i>
Income tax	28,507,226.83	28,339,631.03
Changes in deferred income tax	<u>(278,701.34)</u>	<u>817,898.49</u>
Total	<u><b>28,228,525.49</b></u>	<u>29,157,529.52</u>

## 11. EARNINGS PER SHARE

The calculation of basic earnings per Share is based on net profit attributable to ordinary equity Shareholders of the Company of RMB129,101,568.86 (six months ended 30 June 2022: RMB129,740,774.82) and the weighted average number of ordinary Shares of 1,074,357,700 (six months ended 30 June 2022: 1,074,357,700 Shares) in issue during the current interim period. There were no potentially dilutive ordinary Shares for the six months ended 30 June 2023, and therefore, diluted earnings per Share are the same as the basic earnings per Share.

## 12. DIVIDENDS

### (1) Dividends payable to the shareholders of the Company attributable to the interim period

No interim dividend is declared for the six months ended 30 June 2023 (2022 interim dividend: Nil).

### (2) Dividends payable to the shareholders of the Company attributable to the previous financial year, approved during the interim period:

	Six months ended 30 June	
	2023	2022
	<i>RMB</i>	<i>RMB</i>
Final dividend approved in respect of previous financial year of RMB0.12 (2022: RMB0.12) per Share	<u><b>128,922,924.00</b></u>	<u>128,922,924.00</u>

### 13. FIXED ASSETS

	Plant and buildings <i>RMB</i>	Machinery equipment <i>RMB</i>	Transportation equipment <i>RMB</i>	Office and other equipment <i>RMB</i>	Total <i>RMB</i>
Cost					
Balance as at 1 January 2022	1,338,264,465.99	3,038,927,419.60	41,064,526.75	181,396,120.10	4,599,652,532.44
Purchase	6,410,246.41	8,552,704.91	2,811,884.18	16,258,285.17	34,033,120.67
Transferred from construction in progress	12,708,606.55	384,200,518.06	–	10,128,540.49	407,037,665.10
Disposal or scrap	(230,490.56)	(9,088,751.26)	(2,377,197.90)	(2,764,883.81)	(14,461,323.53)
Balance as at 31 December 2022	1,357,152,828.39	3,422,591,891.31	41,499,213.03	205,018,061.95	5,026,261,994.68
Purchase	363,643.18	11,789,798.98	584,265.48	3,832,016.81	16,569,724.45
Transferred from construction in progress	678,807.34	14,722,901.09	–	–	15,401,708.43
Disposal or scrap	–	(3,009,666.12)	(788,718.22)	(128,313.00)	(3,926,697.34)
Balance as at 30 June 2023	1,358,195,278.91	3,446,094,925.26	41,294,760.29	208,721,765.76	5,054,306,730.22
Less: Accumulated depreciation					
Balance as at 1 January 2022	432,705,466.64	1,248,058,277.15	29,288,360.27	62,026,144.67	1,772,078,248.73
Depreciation charged during the year	31,929,976.10	105,545,583.61	2,336,928.85	19,058,962.49	158,871,451.05
Depreciation write-off	(112,558.02)	(5,423,961.06)	(2,211,270.75)	(2,618,802.77)	(10,366,592.60)
Balance as at 31 December 2022	464,522,884.72	1,348,179,899.70	29,414,018.37	78,466,304.39	1,920,583,107.18
Depreciation charged during the year	16,511,337.89	70,987,554.90	1,049,524.67	3,155,645.37	91,704,062.83
Depreciation write-off	–	(2,727,298.95)	(749,282.31)	(121,897.34)	(3,598,478.60)
Balance as at 30 June 2023	481,034,222.61	1,416,440,155.65	29,714,260.73	81,500,052.42	2,008,688,691.41
Less: Impairment provision					
Balance as at 1 January 2022	7,341,090.25	34,857,935.92	172,241.94	155,094.71	42,526,362.82
Charge for the year	–	1,254,470.43	–	138.46	1,254,608.89
Written-off on disposal	(1,804.86)	(1,007,463.71)	(14,653.80)	(30,792.03)	(1,054,714.40)
Balance as at 31 December 2022	7,339,285.39	35,104,942.64	157,588.14	124,441.14	42,726,257.31
Charge for the year	–	–	–	–	–
Written-off on disposal	–	(315,320.90)	(16,544.55)	(67,212.87)	(399,078.32)
Balance as at 30 June 2023	7,339,285.39	34,789,621.74	141,043.59	57,228.27	42,327,178.99
Carrying amount					
30 June 2023	869,821,770.91	1,994,865,147.87	11,439,455.97	127,164,485.07	3,003,290,859.82
31 December 2022	885,290,658.28	2,039,307,048.97	11,927,606.52	126,427,316.42	3,062,952,630.19

#### 14. ACCOUNTS RECEIVABLE

(1) An analysis of accounts receivable by customer type is as follows:

	As at 30 June 2023 RMB	As at 31 December 2022 RMB
Receivable from subsidiaries	–	–
Receivable from related companies	13,514,108.65	77,535,576.55
Other customers	390,141,994.12	415,141,514.30
	<hr/>	<hr/>
Subtotal	403,656,102.77	492,677,090.85
Less: Allowance for doubtful debts	125,536,149.24	129,150,228.91
	<hr/>	<hr/>
Total	278,119,953.53	363,526,861.94
	<hr/> <hr/>	<hr/> <hr/>

(2) Ageing analysis of accounts receivable is as follows:

	As at 30 June 2023 RMB	As at 31 December 2022 RMB
Within 1 year (inclusive of 1 year)	227,898,824.13	339,185,826.24
1 to 2 years (inclusive of 2 years)	71,603,807.43	46,969,704.26
2 to 3 years (inclusive of 3 years)	22,364,301.90	11,727,367.32
Over 3 years	81,789,169.31	94,794,193.03
	<hr/>	<hr/>
Subtotal	403,656,102.77	492,677,090.85
Less: Allowance for doubtful debts	125,536,149.24	129,150,228.91
	<hr/>	<hr/>
Total	278,119,953.53	363,526,861.94
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Ageing is counted starting from the date when accounts receivable are recognized.

## 15. INVENTORIES

Type of inventories	As at 30 June 2023			As at 31 December 2022		
	Book balance	Provision for	Carrying	Book balance	Provision for	Carrying
		impairment of			impairment of	
<i>RMB</i>	inventories	amount	<i>RMB</i>	inventories	amount	
Raw materials	93,985,744.07	72,545.53	93,913,198.54	87,866,201.78	72,545.53	87,793,656.25
Low-value consumables	125,532.77	-	125,532.77	98,960.08	-	98,960.08
Total	<u>94,111,276.84</u>	<u>72,545.53</u>	<u>94,038,731.31</u>	<u>87,965,161.86</u>	<u>72,545.53</u>	<u>87,892,616.33</u>

The Group has no inventories for guarantee as at 30 June 2023 (31 December 2022: Nil).

An analysis of the Group's provision for impairment of inventories is as follows:

	Balance as	Provision	Decrease during the period		Balance as
	at 1 January	for the	Reversal	Write-off	at 30 June
	2023	period			2023
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Raw materials	72,545.53	-	-	-	72,545.53
Low-value consumables	-	-	-	-	-
Engineering construction	-	-	-	-	-
Total	<u>72,545.53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,545.53</u>

  

	Balance as	Provision	Decrease during the year		Balance as at
	at 1 January	for the year	Reversal	Write-off	31 December
	2022	for the year			2022
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Raw materials	72,545.53	-	-	-	72,545.53
Low-value consumables	-	-	-	-	-
Engineering construction	-	-	-	-	-
Total	<u>72,545.53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,545.53</u>

## 16. ACCOUNTS PAYABLE

	<b>As at 30 June 2023 RMB</b>	As at 31 December 2022 RMB
Accounts payable	<b><u>641,496,202.10</u></b>	<u>598,916,839.30</u>

As at the end of the Reporting Period, the ageing analysis of accounts payable of the Group, based on the invoice dates, is as follows:

	<b>As at 30 June 2023 RMB</b>	As at 31 December 2022 RMB
Within 1 year (inclusive of 1 year)	<b>614,309,101.01</b>	574,028,979.89
1 to 2 years (inclusive of 2 years)	<b>12,798,389.21</b>	12,282,057.47
2 to 3 years (inclusive of 3 years)	<b>5,286,432.48</b>	2,897,832.80
Over 3 years	<b><u>9,102,279.40</u></b>	<u>9,707,969.14</u>
Total	<b><u>641,496,202.10</u></b>	<u>598,916,839.30</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Analysis of Key Items in the Consolidated Income Statement

##### *Operating Revenue*

<b>Business</b>	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>(RMB)</b>	<b>(RMB)</b>
General power supply business	<b>1,509,652,892.30</b>	1,190,640,941.12
Incremental power transmission and distribution business	<b>163,869,182.29</b>	134,125,049.62
EECS business <sup>(1)</sup>	<b>159,863,957.11</b>	177,447,930.23
<b>Total</b>	<b><u>1,833,386,031.70</u></b>	<b><u>1,502,213,920.97</u></b>

*Note:*

- (1) Includes operating revenue from the sales of electric equipment and materials of RMB1.1 million for the six months ended 30 June 2023.

Operating revenue increased by 22.0% from RMB1,502.2 million for the six months ended 30 June 2022 to RMB1,833.4 million for the six months ended 30 June 2023, primarily due to the increase in scale of the general power supply business.

##### *General Power Supply Business*

Operating revenue generated from general power supply business increased by 26.8% from RMB1,190.6 million for the six months ended 30 June 2022 to RMB1,509.7 million for the six months ended 30 June 2023, primarily due to the increase in the number of household, large industrial and general industrial and commercial users by 7,290, 35 and 2,285, respectively in the first half of 2023 as compared with the end of 2022, contributing to an increase in sales of electricity to such customers of 638,482.79 MWh in the first half of 2023. Operating revenue from general power supply business accounted for 79.3% and 82.4% of our total operating revenue for the six months ended 30 June 2022 and 2023, respectively.



### *Incremental Power Transmission and Distribution Business*

Operating revenue generated from incremental power transmission and distribution business increased by 22.2% from RMB134.1 million for the six months ended 30 June 2022 to RMB163.9 million for the six months ended 30 June 2023, primarily due to the expansion in scale of the incremental power transmission and distribution business during the first half of 2023. Operating revenue from incremental power transmission and distribution business accounted for 8.9% and 8.9% of our total operating revenue for the six months ended 30 June 2022 and 2023, respectively.

### *EECS Business*

Operating revenue generated from undertaking EECS business decreased by 9.9% from RMB177.4 million for the six months ended 30 June 2022 to RMB159.9 million for the six months ended 30 June 2023, primarily due to the scale reduction of the EECS business during the first half of 2023. Operating revenue from EECS business accounted for 11.8% and 8.7% of our total operating revenue for the six months ended 30 June 2022 and 2023, respectively.

### ***Operating Costs***

<b>Business</b>	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>(RMB)</b>	<b>(RMB)</b>
General power supply business	<b>1,301,746,584.29</b>	982,779,916.14
Incremental power transmission and distribution business	<b>154,793,654.45</b>	129,834,078.07
EECS business	<b>136,181,113.57</b>	134,176,001.06
<b>Total</b>	<b><u>1,592,721,352.31</u></b>	<b><u>1,246,789,995.27</u></b>

Operating costs increased by 27.7% from RMB1,246.8 million for the six months ended 30 June 2022 to RMB1,592.7 million for the six months ended 30 June 2023, mainly due to the increase in scale of the general power supply business during the first half of 2023.

### *General Power Supply Business*

Operating costs associated with our general power supply business increased by 32.5% from RMB982.8 million for the six months ended 30 June 2022 to RMB1,301.7 million for the six months ended 30 June 2023, primarily due to the increase in scale of the general power supply business during the first half of 2023 and a period-on-period increase in power purchase from external parties of 34.0%. Operating costs associated with third-party power supply business accounted for 54.5% and 65.3% of our total operating costs for the six months ended 30 June 2022 and 2023, respectively.

### *Incremental Power Transmission and Distribution Business*

Operating costs associated with our incremental power transmission and distribution business increased by 19.2% from RMB129.8 million for the six months ended 30 June 2022 to RMB154.8 million for the six months ended 30 June 2023, mainly due to the increase in scale of the incremental power transmission and distribution business during the first half of 2023.

### *EECS Business*

Operating costs associated with our EECS business increased by 1.5% from RMB134.2 million for the six months ended 30 June 2022 to RMB136.2 million for the six months ended 30 June 2023, primarily due to an increase in labor costs during the first half of 2023.

### ***Gross Profit and Gross Profit Margin***

<b>Business</b>	<b>Six months ended 30 June</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Gross Profit (RMB)</b>	<b>Gross Profit Margin %</b>	<b>Gross Profit (RMB)</b>	<b>Gross Profit Margin %</b>
General power supply business	<b>207,906,308.01</b>	<b>13.8</b>	207,861,024.98	17.5
Incremental power transmission and distribution business	<b>9,075,527.84</b>	<b>5.5</b>	4,290,971.55	3.2
EECS business	<b>23,682,843.54</b>	<b>14.8</b>	43,271,929.17	24.4
<b>Total</b>	<b><u>240,664,679.39</u></b>	<b><u>13.1</u></b>	<b><u>255,423,925.70</u></b>	<b><u>17.0</u></b>

As a result of the above, our gross profit decreased by 5.8% from RMB255.4 million for the six months ended 30 June 2022 to RMB240.7 million for the six months ended 30 June 2023, which was mainly due to a decrease in gross profit generated from the EECS business.

### *General Power Supply Business*

The gross profit of our general power supply business remained relatively stable at RMB207.9 million and RMB207.9 million, respectively, for the six months ended 30 June 2022 and six months ended 30 June 2023. The corresponding gross profit margin decreased from 17.5% for the six months ended 30 June 2022 to 13.8% for the six months ended 30 June 2023, which was mainly due to an increase in labor cost and unit cost of electricity purchased from external parties.

### *Incremental Power Transmission and Distribution Business*

The gross profit of our incremental power transmission and distribution business increased by 111.5% from RMB4.3 million for the six months ended 30 June 2022 to RMB9.1 million for the six months ended 30 June 2023, primarily due to the increase in scale of the incremental power transmission and distribution business during the first half of 2023. The corresponding gross profit margin increased from 3.2% for the six months ended 30 June 2022 to 5.5% for the six months ended 30 June 2023, primarily due to the relatively higher gross profit margin of customers newly acquired in the first half of 2023.

### *EECS Business*

The gross profit of EECS business decreased by 45.3% from RMB43.3 million for the six months ended 30 June 2022 to RMB23.7 million for the six months ended 30 June 2023. The corresponding gross profit margin decreased from 24.4% for the six months ended 30 June 2022 to 14.8% for the six months ended 30 June 2023, primarily due to an increase in labor costs.

### ***Finance Costs***

Finance costs decreased by 47.1% from RMB4.5 million for the six months ended 30 June 2022 to RMB2.4 million for the six months ended 30 June 2023, which was mainly due to a decrease in foreign exchange losses during the first half of 2023.

### ***Income/Loss from Investment in Associates***

Income from investment in associates decreased by 277.8% from income of RMB3.9 million for the six months ended 30 June 2022 to loss of RMB6.9 million for the six months ended 30 June 2023, primarily due to investment in a new energy company during the Reporting Period whose accounts receivable are primarily settled in the second half of the year, leading to a loss in the first half of 2023.

### ***Income Tax***

Income tax expenses were RMB29.2 million and RMB28.2 million for the six months ended 30 June 2022 and 2023, at effective tax rates of 18.3% and 17.9%, respectively.

### ***Net Profit***

As a result of the above, net profit amounted to RMB129.7 million and RMB129.1 million for the six months ended 30 June 2022 and the six months ended 30 June 2023, respectively.

### **Analysis of Key Items in Consolidated Balance Sheet**

#### ***Fixed Assets, Construction in Progress and Right-of-use Assets***

	<b>As at 30 June 2023 RMB</b>	<b>As at 31 December 2022 RMB</b>
Fixed asset	<b>3,003,290,859.82</b>	3,062,952,630.19
Construction in progress	<b>630,827,570.53</b>	272,105,986.58
Right-of-use assets	<b>7,727,361.88</b>	6,597,730.52
<b>Total</b>	<b><u>3,641,845,792.23</u></b>	<b><u>3,341,656,347.29</u></b>

As at 31 December 2022 and 30 June 2023, our fixed assets, construction in progress and right-of-use assets were RMB3,341.7 million and RMB3,641.8 million, respectively, which mainly included plant and building, machinery, vehicles, office equipment, projects under construction and right-of-use assets. Construction in progress increased from RMB272.1 million as at 31 December 2022 to RMB630.8 million as at 30 June 2023, mainly due to an increase in the number of rural grid consolidation and improvement projects during the first half of 2023.

#### ***Intangible Assets***

Our intangible assets remained relatively stable as at 30 June 2023 and 31 December 2022, amounting to RMB150.6 million and RMB149.5 million, respectively.

## ***Inventories***

Our inventories primarily consisted of raw materials, spare parts and others, which amounted to RMB87.9 million and RMB94.0 million as at 31 December 2022 and 30 June 2023, respectively. The following table sets forth a breakdown of our inventories as at the dates indicated:

	<b>As at 30 June 2023 (RMB)</b>	As at 31 December 2022 (RMB)
Raw materials	<b>93,913,198.54</b>	87,793,656.25
Spare parts and others	<b>125,532.77</b>	98,960.08
<b>Total</b>	<b><u>94,038,731.31</u></b>	<b><u>87,892,616.33</u></b>

Our inventories increased by 7.0% from RMB87.9 million as at 31 December 2022 to RMB94.0 million as at 30 June 2023, mainly due to the increase in construction projects during the first half of 2023.

The average turnover days of our inventories (calculated by using the average value of the opening and closing balance of inventories of the relevant period divided by the operating costs for the period, and then multiplied by the number of days in the period) were 10.9 days and 10.3 days as at 30 June 2022 and 2023, respectively.

## ***Receivables***

Receivables include bills receivable, accounts receivable, prepayments and other receivables. Our receivables decreased by 15.5% from RMB400.8 million as at 31 December 2022 to RMB338.6 million as at 30 June 2023, mainly due to adjustment in meter reading cycle and recognition of estimated electricity bills as contract assets during the first half of 2023.

## ***Payables***

Payables include accounts payable, contract liabilities, employee benefits payable, taxes payable and other payables. Our payables increased by 3.6% from RMB1,197.4 million as at 31 December 2022 to RMB1,240.4 million as at 30 June 2023, primarily due to provision of dividends payable on ordinary Shares as of the end of 2022.

The average turnover days of our payables (calculated by using the average value of opening and closing balance of the payables of the relevant period divided by the cost of the period, and then multiplied by the number of days in the period) decreased from 162.9 days as at 30 June 2022 to 137.8 days as at 30 June 2023, primarily due to the increase of operating costs as a result of the increasing scale of general power supply business.

## Liquidity and Financial Resources

The Group manages its capital to ensure that entities in the Group will be able to continue operating as going concern while maximizing the return to our Shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the year. The capital structure of the Group consists of net debts (which includes borrowings net of cash and cash equivalents) and total equity (comprising paid-in capital/share capital, capital reserve, statutory surplus reserve, retained profits and non-controlling interests). The Group is not subject to any externally imposed capital requirements.

As at 30 June 2023, our cash and cash equivalents amounted to RMB602.7 million (31 December 2022: RMB757.9 million).

As at 30 June 2023, the total borrowings of the Group (including bank and other borrowings) amounted to RMB512.9 million (31 December 2022: RMB314.2 million), of which short-term borrowings was RMB200.0 million, long-term borrowings due within one year was RMB22.9 million and long-term borrowings was RMB290.0 million. All of our bank and other borrowings bear interest at floating rates.

## Gearing Ratio

As at 30 June 2023, the gearing ratio of the Group was 16.1% (31 December 2022: 9.9%). Gearing ratio is calculated based on our total interest-bearing liabilities divided by total equity as at the same date.

## Capital Commitments

We have certain capital commitments relating to the construction of our comprehensive information-based power dispatching and control center. If our management has identified potential capital commitment and has determined that it is likely to make the commitment, we will classify such commitments as authorized but not contracted for.

The following table sets forth our capital commitments outstanding for the periods indicated:

	<b>As at 30 June 2023 (RMB)</b>	<b>As at 31 December 2022 (RMB)</b>
Contracted for	<u><b>153,712,689.86</b></u>	<u>104,883,250.10</u>

## Pledges of the Group's Assets

No property, plant and equipment was pledged to banks as at 30 June 2023 (31 December 2022: Nil).

## Foreign Exchange Risk

The Group only locked the exchange rate of the dividends to be paid in Hong Kong dollars in the current year, so as to mitigate risks arising from interest rate fluctuations. Except for the aforesaid, the Group does not engage in other hedging activities that are designed or intended to manage foreign exchange risk. The Group conducts business in the PRC and receives revenue and pays its costs/expenses in RMB.

## **Employees and Remuneration Policy**

As at 30 June 2023, the Company had a total of 2,790 employees (30 June 2022: 2,854 employees).

The Group continued to press ahead with the “three-system” reform, and has established a total salary allocation system that is linked to the operating results of the Company and a remuneration allocation mechanism that is aligned with the annual and tenure-based objective responsibility letters of the management team and linked to the performance appraisal results of employees, so as to give full play to the incentive and constraint role of remuneration and activate the enthusiasm, initiatives and creativity of employees.

During the Reporting Period, no labor disputes had occurred in the Company and its subsidiaries which would affect the operations of the Group.

## **Contingent Liabilities**

As at 30 June 2023, the Group did not have any contingent liabilities (31 December 2022: Nil).

## **Significant Investments Held, Major Acquisitions and Disposals**

On 17 March 2023, the Company entered into the share transfer agreement with Shenzhen Yuanzhi Huaxin Emerging Industry Equity Investment Fund Partnership (L.P.)\* (深圳市遠致華信新興產業股權投資基金合夥企業(有限合夥)), Shenzhen Jianyuan Investment Loan Linkage Equity Investment Fund Partnership (L.P.)\* (深圳建遠投貸聯動股權投資基金合夥企業(有限合夥)) and Shenzhen Xinfuhui No.2 Investment Partnership (Limited Partnership)\* (深圳市信福匯二號投資合夥企業(有限合夥)), pursuant to which, Company has agreed to purchase, and the above parties have agreed to sell the sale shares, representing 15% of the equity interest of Shenzhen CEGN Co., Ltd\* (深圳市車電網絡有限公司) at the total consideration of RMB115.2 million. For further details of the acquisition, please refer to the announcement of the Company dated 17 March 2023.

As at 30 June 2023, the Group did not hold any significant investments. Save as disclosed above, there were no material acquisition or disposal of subsidiaries, associates or joint ventures by the Group during the Reporting Period.

## **Interim Dividend**

The Board does not recommend the declaration of any interim dividend in respect of the six months ended 30 June 2023 (2022 interim dividend: Nil).

## Global Offering and Use of Proceeds from Global Offering

The Company was listed on the Stock Exchange on 28 December 2018 and issued 268,800,000 H Shares with a nominal value of RMB1.00 each at HK\$1.77 per Share (the “**Global Offering**”). Net proceeds from the Global Offering were approximately RMB380.5 million. As at 30 June 2023, the Group has used the proceeds from the Global Offering of approximately RMB340.6 million in accordance with the relevant disclosure in the prospectus of the Company dated 13 December 2018 (the “**Prospectus**”), and the unused proceeds amounted to approximately RMB39.9 million. Use of proceeds is as follows:

Use of proceeds as disclosed in the Prospectus	Percentage of net proceeds from the initial public offering (as set out in the Prospectus)	Planned use of net proceeds from the initial public offering (as set out in the Prospectus) (RMB'000)	Amount unused as at 1 January 2023 (RMB'000)	Amount used for the Reporting Period (RMB'000)	Amount unused as at 30 June 2023 (RMB'000)	Estimated schedule <sup>(1)</sup>
Acquisition of power-related assets	40%	152,193	152,193	115,200	36,993	2023
Power grid construction and optimization	30%	114,145	-	-	-	N/A
Establishment of centralized power dispatching control center and promotion of intelligent power grid system	20%	76,097	-	-	-	N/A
Working capital	10%	38,048	2,989	129	2,860	2030
<b>Total</b>	<b>100%</b>	<b>380,483</b>	<b>155,182</b>	<b>115,329</b>	<b>39,853</b>	

*Note:*

- (1) The estimated schedule for utilizing the remaining proceeds is based on the best estimation made by the Group of future market condition and may change with the current market condition and future development.

As at 30 June 2023, the unused net proceeds from the Global Offering for each business strategy mentioned in the above table have been deposited as deposits in licensed banks in China, and have been and are expected to be used as previously disclosed in the Prospectus. There have been no major changes or delays in the use or timeline for use of the net proceeds of the Company.



## **BUSINESS REVIEW**

### **Overview**

The Company is a vertically integrated power supplier and service provider in Yibin City, Sichuan Province, with a full power supply value chain covering power generation, distribution and sales. We have a stable user base and a comprehensive network of power supply in Yibin City, which allows us to optimize the balance usage of power resources within our power supply network through efficient allocation of electricity. Our business currently consists of (i) power business, which includes power generation, distribution and sales, and is divided into general power supply business and incremental power transmission and distribution business; and (ii) EECS business, which consists of electrical engineering construction service and sales of electric equipment and materials.

During the first half of 2023, despite various risks and challenges, management and staff members throughout the Company braced up hardships and earnestly assumed their responsibilities upholding the guiding role of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era. The Company vigorously implemented Energy Investment Group's corporate mission of "pursuing green, low-carbon and technology-empowered development", and remained focused on the general keynote of striving for progress amid stability and dedicated itself to the five major tasks of "guaranteeing livelihood, safety and supply, staying committed to technological innovation, and promoting quality development", and "strengthening power source, power grids and capital operation, establishing business presence in new energy industry, and constantly improving service quality and capabilities". In a move to achieve the strategic goal of building itself to "a first class modern integrated energy service provider in Western China", the Company will endeavor to win the tough battle of guaranteeing power supply, in a bid to lay the foundation for reliable power supply in support of local economic and social development and living purposes. Besides, the Company proactively extended footprints to new energy industry leveraging constant efforts in development of gas-fired, electricity, photovoltaic, watering pumping and storage and intelligent integrated energy station and other green projects, striving to create new "growth drivers" for innovation-driven growth.

During the first half of 2023, the Company realized operating revenue of RMB1,833.4 million, representing a period-on-period increase of 22.0%. Our total profit was RMB157.3 million, representing a period-on-period decrease of 1.0%. During the same period, we achieved net profit of RMB129.1 million, representing a year-on-year decrease of 0.5%, and net profit attributable to shareholders of the parent company of RMB128.4 million, representing a period-on-period decrease of 1.0%.

As of 30 June 2023, we had a total of 34 hydropower plants with an aggregated installed capacity of 138,355 kW. We also had three units of 220 kV substations with a capacity of 1,080,000 kVA, 19 units of 110 kV substations with an aggregated capacity of 942,000 kVA and 59 units of 35 kV substations with an aggregated capacity of 572,050 kVA.

## Operating Results

The following table sets forth the operating revenue, operating costs, gross profit margin and percentage of changes by business segments for the six months ended 30 June 2022 and 2023.

Business	2023		Gross profit margin %	Six months ended 30 June 2022			Change in percentage (%)/percentage points		
	Operating revenue	Operating costs		Operating revenue	Operating costs	Gross profit margin	Operating revenue	Operating costs	Gross profit margin
	(RMB)	(RMB)		(RMB)	(RMB)	%			
General power supply business	1,509,652,892.30	1,301,746,584.29	13.8	1,190,640,941.12	982,779,916.14	17.5	26.8	32.5	(3.7)
Incremental power transmission and distribution business	163,869,182.29	154,793,654.45	5.5	134,125,049.62	129,834,078.07	3.2	22.2	19.2	2.3
EECS business <sup>(1)</sup>	<u>159,863,957.11</u>	<u>136,181,113.57</u>	14.8	<u>177,447,930.23</u>	<u>134,176,001.06</u>	24.4	(9.9)	1.5	(9.6)
<b>Total</b>	<b><u>1,833,386,031.70</u></b>	<b><u>1,592,721,352.31</u></b>	13.1	<b><u>1,502,213,920.97</u></b>	<b><u>1,246,789,995.27</u></b>	17.0	22.0	27.7	(3.9)

Note:

- (1) Includes operating revenue from the sales of electric equipment and materials of RMB1.1 million for the six months ended 30 June 2023.

### **General Power Supply Business**

The following table sets forth the breakdown of operating revenue from our general power supply business by customer category for the periods indicated.

Customer	2023		Six months ended 30 June 2022		Change in percentage (%) / percentage points	
	Electricity sales	Operating revenue	Electricity sales	Operating revenue	Electricity sales	Operating revenue
	(MWh)	(RMB)	(MWh)	(RMB)		
Household	771,500.00	415,242,320.13	701,531.17	362,108,191.94	10.0	14.7
General industrial and commercial	499,889.70	336,307,177.31	502,429.02	280,679,429.55	(0.5)	19.8
Large industrial	1,532,031.50	724,934,751.64	960,978.22	508,381,856.43	59.4	42.6
State Grid	1,250.50	238,029.57	70,659.16	15,861,207.38	(98.2)	(98.5)
Others	62,005.00	32,930,613.65	47,038.62	23,610,255.82	31.8	39.5
<b>Total</b>	<b>2,866,676.70</b>	<b>1,509,652,892.30</b>	<b>2,282,636.19</b>	<b>1,190,640,941.12</b>	<b>25.6</b>	<b>26.8</b>

Most of our operating revenue for the six months ended 30 June 2023 was derived from our general power supply business, including generation, distribution and sales of power. We generated RMB1,509.7 million of operating revenue from our general power supply business, which accounted for 82.4% of our total operating revenue.

### **Incremental Power Transmission and Distribution Business**

Our operating revenue from incremental power transmission and distribution business mainly consists of electricity retail business outside our normal power supply service area and other power distribution business related to new-energy vehicles. By implementing measures to diversify the industry chain, we generated RMB163.9 million of operating revenue from incremental power transmission and distribution business for the six months ended 30 June 2023, which accounted for 8.9% of our total operating revenue.

### **EECS Business**

We also derived operating revenue from our EECS business, which mainly involves undertaking the engineering construction projects for, and selling electric equipment and materials to, the users and grid companies in our power supply area. For the six months ended 30 June 2023, we generated RMB159.9 million of operating revenue from our EECS business, which accounted for 8.7% of our total operating revenue.

## Major Operational Measures

Firstly, the Company made constant efforts to enhance management quality and efficiency with a steadfast commitment to in-depth reform. It strengthened organizational structure, further clarified post functions and responsibilities, and defined rights and accountabilities across departments to improve operational and management flow. It also pressed ahead with integrated control over hydropower stations to enhance the safety management standards and operating efficiency at hydropower stations. The Company carried forward the “three-system” reform, and achieved tenure-based administration for all senior staff, competition for positions among all mid-level management members, all new hires admitted in social recruitment, and performance appraisal for all the employees. It optimized talent training through closely correlating on-duty practice and quality improvement with post requirements and responsibilities via multiple means, thereby providing strong talent support to the Company’s transition and development. Secondly, the Company remained focused on structural adjustment to optimize business performance. It was committed to bolstering power sources through soliciting support from local Party Committee and government authorities and expediting the construction of water pumping and energy storage project and gas-fired power generation energy project. It also endeavored to promote power grids via ongoing efforts made with respect to the construction of 220 kV substations and introducing 7 new on-grid lines connected to Sichuan Grid, securing remarkable enhancement in power supply capacity and reliability. The Company stepped up efforts in improving equity structure through the acquisition of 15% interests in Shenzhen CEGN Co., Ltd\* (深圳市車電網絡有限公司) and completion of H Share “full circulation”. Besides, the Company upheld the strategy to establish presence in the field of integrated energy through seeking integrated energy investment and construction opportunities such as the “charging and replacement stations (piles) +” project and rolling out smooth preparations for electric vehicle charging facilities. Thirdly, the Company stayed focused on livelihoods to improve its service capabilities. Taking efforts to ensure safe and stable operation of power grid, we developed and circulated work plans for key periods in summer and winter peaks to define major tasks, and carried out comprehensive pre-test and pre-inspection within power grid, including thorough inspections on substations, power transmission and distribution lines, and main hydropower stations. To further optimize the electricity consumption climate, we earnestly improved our services for “power accessibility” in strict accordance with the service requirements of “three zeros and three savings”, and our 96598 customer service center actively played the key role in communicating with users and serving people, together with effectively strengthened complaint management to meet expectations of various users. Fourthly, the Company adhered to the bottom-line approach to forestall and defuse risks. Sparing no efforts in safe production, we deepened identification and management of potential safety dangers, normalized regulation on potential fire dangers against power transmission and distribution facilities in forest and pastoral areas, and vigorously strengthened the standardization of safe production system. The Company did not encounter accidents involving general or above personal injuries, equipment safety, occupational health or environmental protection. To strengthen internal risk control, we adhered to the approach of “bringing forward the line of defense with refined risk controls”, further improved our internal control system, and enhanced our audit work across the board. We went full steam to defuse funding risks. Furthermore, efforts were taken to improve our cost and expense accounting system, accelerate the construction of a centralized financial accounting system, reduce material procurement costs, strengthen electricity line loss management and optimize power dispatching economics. Under a dedicated dynamic quantitative management system, the growth rate of “balance of inventories and accounts receivable” did not exceed the growth rate of operating revenue. Fifthly, the Company adhered to strict governance to strengthen the Party building. We deepened the campaign for studying and implementing Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, standardized the institutional arrangements for engaging the Party Committee in pre-study of major matters, pressed ahead with the Party building to highlight its demonstration and leading role, and strived to solve the weaknesses and outstanding problems in the Party building work at primary level. Meanwhile, we strengthened disciplinary scrutiny, taking coordinated efforts to educate and govern the discipline inspection team and promote the rectification of problems through illustrative cases.

## **Important Events Subsequent to the Reporting Period**

There are no material events affecting the Company or any of its subsidiaries during the Reporting Period and up to the date of this announcement.

## **OUTLOOK**

During the first half of 2023, the Group continued to strengthen power grid construction, improve service capabilities and enhance safety risk management, leading to stable operating results. The Group will focus on the following tasks in the second half of 2023:

### **(1) Focus on the guiding role of strategic planning to establish a new pattern of business structure**

Firstly, the Company will expand and enhance its principal operations of power supply. Under a coordinated and rational plan, we will vigorously promote projects such as gas-fired, wind and photovoltaic power generation as well as pumped storage projects, accelerate the introduction of external high-quality power sources, and build up an innovative regional power grid featuring safe and stable operation with adequate capacity to meet the power load demand. Secondly, the Company will expedite synergistic development of its auxiliary green energy business. Capturing opportunities in the new energy revolution, we will seize and tap into local high-quality energy resources, and accelerate integrated energy services such as smart integrated energy stations, battery charging and swapping facilities for electric vehicles, and contracted energy management. Thirdly, the Company will pursue synergistic growth through capital operations. We will employ an array of means and tools to acquire attractive assets and continuously integrate high-quality power projects; and tap into high-quality projects in upstream and downstream of the industry chain, proactively investing in high-quality new energy projects to explore a diversified business model.

### **(2) Focus on the tenet of serving the people to seek new upgrades in service capabilities**

Firstly, the Company will effectively upgrade its infrastructure. Through various initiatives such as electricity line upgrade and “four new” technologies and equipment, we will launch all-round upgrades of power supply facilities, and effectively improve intelligence as well as operation, maintenance and rush repair capabilities of our power distribution network. Secondly, the Company will strengthen power dispatching management. Drawing upon coordination strengths of Yibin Power Dispatching Center, we will rationally adjust operation mode of power grid, and strengthen management over planned and ad hoc power outages, in a bid to boost safe and economic operation, guaranteed supply, and overall planning capabilities of power grid. Thirdly, the Company will earnestly improve its service capabilities. Deepening the reform of power supply stations based on the model of “power supply stations + service stations”, we expect to further optimize business process, shorten the service radius, and improve work efficiency.

**(3) Focus on the effectiveness of fine management to upgrade management capabilities to a new level**

Firstly, the Company will step up its efforts in reform and innovation. Focusing on better core competitiveness and core functions, we will continue to improve the decision-making mechanism and refine assessment metrics to effectively upgrade our management efficiency and governance. Secondly, the Company will strengthen internal collaboration. We will develop work plans and management methods for internal collaboration, tapping into internal and external resources to promote collaboration and sharing of internal human resources, information resources and productive resources on the basis of legal compliance, market-oriented, and maximized overall benefits. Thirdly, the Company will take efforts to forestall and defuse risks. We will comprehensively improve budget management, strengthen audit supervision over key areas, deepen the campaign of containing “balance of inventories and accounts receivable”, and press forward the standardization of safe production system to earnestly upgrade fundamentals and essentials of safe production.

**(4) Focus on strict governance of the Party to seek new achievements in the Party building**

We will deepen the campaign for studying and implementing Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, give full play to the leadership role of the Party organization in “holding the overall direction, controlling the general situation and ensuring implementation”, and deepen the rectification work based on inspection opinions. Upholding the spirit of the Party’s 20th National Congress and general secretary Xi Jinping’s new concepts, new strategies and new initiatives on talent work in the new era as our guidelines, we will vigorously carry out the campaign of enhancing competence and caliber of our cadres and talents.

## **CORPORATE GOVERNANCE CODE**

For the six months ended 30 June 2023, the Company had complied with all the code provisions as set out in the Corporate Governance Code contained in part 2 of Appendix 14 to the Listing Rules and had adopted most of the recommended best practices as set out in Appendix 14 to the Listing Rules.

## **COMPLIANCE WITH CODE PROVISIONS OF THE MODEL CODE BY DIRECTORS AND SUPERVISORS**

The Company has also adopted the Model Code set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors and the Supervisors. Having made specific enquiries with all Directors and Supervisors, all Directors and Supervisors confirmed that they have complied with the required standard set out in the Model Code regarding securities transactions by directors and Supervisors during the six months ended 30 June 2023.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

## **SUFFICIENCY OF PUBLIC FLOAT**

During the six months ended 30 June 2023, based on the information that was publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the minimum public float required by the Listing Rules.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.com.hk](http://www.hkexnews.com.hk)) and the Company ([www.scntgf.com](http://www.scntgf.com)). The interim report for the six months ended 30 June 2023 containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the same websites in due course.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Articles of Association” or “Articles”	the articles of association of the Company adopted by the written resolution of the Shareholders on 16 May 2017 and as amended, supplemented and otherwise modified from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of Directors
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”	Sichuan Energy Investment Development Co., Ltd.* (四川能投發展股份有限公司) (stock code: 1713), a joint stock company established in the PRC with limited liability on 29 September 2011
“Corporate Governance Code”	the Corporate Governance Code as contained in Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic ordinary Share(s) in the Company’s registered capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and held by PRC nationals or PRC-incorporated entities, and are not listed or traded on any stock exchange
“EECS business”	electrical engineering construction service and related business, which includes the construction, installation, testing and maintenance of power facilities and related sales of electric equipment and materials



“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“H Share(s)”	the ordinary Share(s) in issue in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
“HK\$” and “HK cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“kV”	kilovolt, a unit of voltage, which is equal to one thousand volts
“kVA”	kilovolt-ampere, the standard for measuring power
“kW”	kilowatt, which is equal to one thousand watts
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
“MWh”	megawatt-hour, which is equal to one thousand kilowatt hours
“Reporting Period”	the period from 1 January 2023 to 30 June 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary Share(s) of RMB1.00 each in the share capital of the Company, including H Shares and Domestic Shares
“Shareholder(s)”	the shareholder(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in Section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent.

By order of the Board  
**Sichuan Energy Investment Development Co., Ltd.\***  
**He Jing**  
*Chairman*

Chengdu, Sichuan Province, the PRC, 29 August 2023

*As at the date of this announcement, the executive Directors are Mr. He Jing, Mr. Li Hui and Ms. Xie Peixi; the non-executive Directors are Ms. Han Chunhong, Mr. Tao Xueqing, Ms. Liang Hong, Ms. Lv Yan and Mr. Kong Ce; and the independent non-executive Directors are Mr. Kin Kwong Kwok Gary, Ms. He Zhen, Mr. Wang Peng, Prof. Li Jian and Ms. He Yin.*

\* *For identification purposes only*