



江山控股
KongSun Holdings

Kong Sun Holdings Limited

Stock Code : 295



INTERIM
REPORT
2023

CONTENTS

Corporate Information	2
Chairman’s Statement	4
Financial Highlights	6
Management Discussion and Analysis	7
Disclosure of Other Information	18
Condensed Consolidated Statement of Profit or Loss	23
Condensed Consolidated Statement of Other Comprehensive Income	24
Condensed Consolidated Statement of Financial Position	25
Condensed Consolidated Statement of Changes in Equity	27
Condensed Consolidated Statement of Cash Flows	28
Notes to the Condensed Consolidated Interim Financial Statements	30



CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Xian He
Mr. Wang Shaoyuan
(Resigned on 9 May 2023)

NON-EXECUTIVE DIRECTOR

Mr. Jiang Hengwen (*Chairman*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Tang Yinghong
Ms. Wu Wennan
Mr. Xu Xiang

AUDIT COMMITTEE

Ms. Wu Wennan (*Chairman*)
Ms. Tang Yinghong
Mr. Xu Xiang

NOMINATION COMMITTEE

Ms. Tang Yinghong (*Chairman*)
Ms. Wu Wennan
Mr. Xu Xiang

REMUNERATION COMMITTEE

Mr. Xu Xiang (*Chairman*)
Ms. Tang Yinghong
Ms. Wu Wennan

REGISTERED OFFICE

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

CORPORATE INFORMATION *(continued)*

SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong
Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Center
183 Queen's Road East
Hong Kong

COMPANY SECRETARY

Mr. Ching Kin Wai

AUTHORISED REPRESENTATIVES

Mr. Xian He
Mr. Ching Kin Wai

AUDITOR

BDO Limited

LEGAL ADVISOR AS TO HONG KONG LAWS

Sidley Austin

STOCK CODE

295

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CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors, I hereby present the results of Kong Sun Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2023.

In the first half of 2023, under the guidance of the goal of "carbon peak and carbon neutrality", governments at all levels in China continued to strengthen policy support for the development of the solar power generation industry. The National Development and Reform Commission, the National Energy Administration and other departments issued a number of policy documents, including the "Notice on Efforts to Promote the Consumption of Renewable Electricity by Providing Full Coverage of Renewable Energy Green Power Certificates", the "Notice on Supporting the Development of Photovoltaic Power Generation Industry by Regulating the Management of Land Uses", and the "Notice on the Launching of a Pilot Demonstration of a New Type of Energy Storage", in order to stimulate the development and consumption of renewable electricity.

In the first half of 2023, the Group continued to adopt a steady and pragmatic business strategy, striving to enhance the efficiency of power stations, while actively adjusting its asset structure and exploring business transformation opportunities. As at 30 June 2023, the Group held 13 grid-connected solar power plants in Shaanxi, Anhui, Zhejiang, Inner Mongolia, Hubei, and Shanxi in China, with a total installed capacity of 359.8 megawatt ("MW") and a total power generation of approximately 211,330 megawatt-hours ("MWh") in the first half of 2023. Meanwhile, the Group actively expanded its solar power generation, its wind power operation as well as its maintenance services business, and continued to develop its financial technology business such as Internet microfinance loans, while persisting to explore other investment opportunities in other energy, technology, and healthcare sectors. In the first half of 2023, the Group recorded a revenue of RMB232.7 million and a gross profit of RMB96.9 million.

In the future, the Group will continue to focus on clean energy, further optimize its asset structure, enhance the efficiency of equipment in power plants, and accelerate its pace in shifting to a new business model through industrial and financial capital integration, improve the Group's operating results, and promote the development of green and low-carbon energy in China, thus contributing to environmental protection and people's health.

CHAIRMAN'S STATEMENT *(continued)*

Finally, I would like to take this opportunity to express my gratitude to our shareholders, customers, and suppliers for their continuous support and trust; and to all of our Directors, management team, and staff of the Group for their contribution to the Group. The Group will continue its business development with a view to maximizing overall returns for its shareholders.

Jiang Hengwen

Chairman

Hong Kong, 31 August 2023



FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	232,658	284,980
Gross profit	96,864	130,556
Loss for the period	(4,180)	(89,465)
Loss per share attributable to owners of the Company for the period		
– Basic (RMB cents)	(0.03)	(0.61)
– Diluted (RMB cents)	(0.03)	(0.61)
	At	At
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Total non-current assets	3,688,976	3,673,323
Total current assets	2,264,572	2,330,391
Total assets	5,953,548	6,003,714
Total non-current liabilities	1,778,690	1,765,184
Total current liabilities	740,260	804,414
Total liabilities	2,518,950	2,569,598
NET ASSETS	3,434,598	3,434,116

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is an investment holding company with its subsidiaries mainly engaged in the investment in and the operation of solar power plants, provision of solar power plant operation and maintenance services, provision of financial services and asset management.

SOLAR POWER PLANTS BUSINESS

During the six months ended 30 June 2023, the Group continued its investment in and development of solar power plants in the People's Republic of China (the "PRC"). As at 30 June 2023, the Group had a total of 359.8 MW completed solar power plants as follows:

Completed solar power plants

PRC Province	Number of solar power plants	Capacity of solar power plants
Shaanxi	4	140.0 MW
Inner Mongolia	1	10.0 MW
Shanxi	1	20.0 MW
Anhui	5	140.0 MW
Zhejiang	1	19.8 MW
Hubei	1	30.0 MW
Total	13	359.8 MW

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

PROVISION OF FINANCIAL SERVICES

The revenue arising from the provision of financial services increased by approximately 63.9% from approximately RMB17,406,000 for the six months ended 30 June 2022 to approximately RMB28,520,000 for the six months ended 30 June 2023.

RESULTS OF OPERATIONS

Revenue

The revenue of the Group decreased by approximately 18.4% from approximately RMB284,980,000 for the six months ended 30 June 2022 to approximately RMB232,658,000 for the six months ended 30 June 2023. The decrease was due to the decrease in revenue from sales of electricity during the period.

Revenue from Sales of Electricity and Provision of Solar Power Plant Operation and Maintenance Services

The Group's revenue from sales of electricity decreased by approximately 28.9% from approximately RMB215,861,000 for the six months ended 30 June 2022 to approximately RMB153,548,000 for the six months ended 30 June 2023. As at 30 June 2023, the Group had a total of 359.8 MW (31 December 2022: 359.8 MW) installed capacity of solar power plants. The solar power plants owned by the Group have generated electricity in an aggregate volume of approximately 211,330 MWh for the six months ended 30 June 2023, representing a decrease of approximately 26.8% as compared to approximately 288,885 MWh for the six months ended 30 June 2022.

The Group's revenue from provision of solar power plant operation and maintenance services decreased by approximately 2.2% from approximately RMB51,713,000 for the six months ended 30 June 2022 to approximately RMB50,590,000 for the six months ended 30 June 2023.

Revenue from Provision of Financial Services

The Group's revenue arising from the provision of financial services increased by approximately 63.9% from approximately RMB17,406,000 for the six months ended 30 June 2022 to approximately RMB28,520,000 for the six months ended 30 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Gross Profit and Gross Profit Margin

The gross profit of the Group decreased by approximately 25.8% from approximately RMB130,556,000 for the six months ended 30 June 2022 to approximately RMB96,864,000 for the six months ended 30 June 2023. The gross profit margin of the Group decreased from approximately 45.8% for the six months ended 30 June 2022 to approximately 41.6% for the six months ended 30 June 2023 mainly due to start of some contracts from provision of solar power plant operation and maintenance services, which has a lower gross profit margin affecting the overall gross profit margin of the Group.

Other Gains, Net

The other gains, net of the Group increased by approximately 22.1 times from approximately RMB1,817,000 for the six months ended 30 June 2022 to approximately RMB41,915,000 for the six months ended 30 June 2023. The increase was mainly due to the increase in dividend income of approximately RMB20,250,000, the increase in interest income of approximately RMB4,551,000 and the decrease in solar power plant rectification expenses of approximately RMB10,683,000.

Administrative Expenses

Administrative expenses of the Group increased by approximately 9.4% from approximately RMB88,384,000 for the six months ended 30 June 2022 to approximately RMB96,667,000 for the six months ended 30 June 2023. The increase was mainly attributable to the increase in employee benefit expense during the six months ended 30 June 2023.

Loss on Disposal of Subsidiaries, Net

During the six months ended 30 June 2022, the Group disposed of three subsidiaries, and recorded net loss on such disposals of approximately RMB3,736,000. No such amount was recorded for the six months ended 30 June 2023. For details, please refer to note 20 to the “Notes to the Condensed Consolidated Interim Financial Statements” in this interim report.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Impairment loss on a disposal group classified as held for sale

During the six months ended 30 June 2022, the Group has recorded an impairment loss on a disposal group classified as held for sale of approximately RMB4,176,000 for reason set out below.

On 10 July 2021, the Group entered into sale and purchase agreement with an independent third party to dispose of the entire equity interests in 黃驊市正陽新能源有限公司 (Huanghua Zhengyang New Energy Limited*) (“Huanghua Zhengyang”) for an equity consideration of approximately RMB241,476,000.

An impairment loss of approximately RMB4,176,000, representing the difference between the net asset value of Huanghua Zhengyang as at 31 December 2021 and 30 June 2022, was charged to profit or loss during the six months ended 30 June 2022.

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

Impairment loss on trade and other receivables, net

During the six months ended 30 June 2023, impairment loss regarding certain trade and other receivables, net amounting to approximately RMB7,390,000 (six months ended 30 June 2022: RMB10,084,000) was recorded based on the lifetime expected credit losses.

Finance Costs

Finance costs of the Group decreased by approximately 25.1% from approximately RMB106,852,000 for the six months ended 30 June 2022 to approximately RMB79,991,000 for the six months ended 30 June 2023. As the Group’s average total loans and borrowings decreased as compared to the corresponding period last year, the finance costs related to these borrowings also decreased.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Solar Power Plants

As at 30 June 2023, the Group had a net carrying value of approximately RMB2,000,403,000 (31 December 2022: RMB2,049,134,000) and approximately RMB4,725,000 (31 December 2022: RMB3,390,000) in completed solar power plants and solar power plants under construction, respectively. For details, please refer to note 10 to the “Notes to the Condensed Consolidated Interim Financial Statements” in this interim report. During the six months ended 30 June 2023, there was no disposal of solar power plant. During the six months ended 30 June 2022, the Group successfully completed the disposals of three solar power plants with total installed capacity of 140 MW. As at 30 June 2023, the Group had a total of 359.8 MW (31 December 2022: 359.8 MW) installed capacity of completed solar power plants.

Interest in associates

As at 30 June 2023, the net carrying amount of associates was approximately RMB231,855,000 (31 December 2022: RMB180,448,000).

Interest in a joint venture

As at 30 June 2023, the net carrying amount of a joint venture was approximately RMB199,537,000 (31 December 2022: RMB193,710,000).

Goodwill

As at 30 June 2023, the Group had a total amount of approximately RMB547,000 (31 December 2022: RMB547,000) in respect of goodwill on the previous acquisitions of subsidiaries.

Right-of-use Assets

As at 30 June 2023, the right-of-use assets amounted to approximately RMB143,966,000 (31 December 2022: RMB157,292,000).

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Financial Assets Measured at Fair Value through Other Comprehensive Income

Financial assets measured at fair value through other comprehensive income decreased by approximately 2.4% from approximately RMB760,194,000 as at 31 December 2022 to approximately RMB741,978,000 as at 30 June 2023. The decrease was due to the fair value loss of approximately RMB18,216,000. The investments are held for long-term investment purpose and hence are classified as financial assets measured at fair value through other comprehensive income in the condensed consolidated statement of financial position. For details, please refer to note 12 to the “Notes to the Condensed Consolidated Interim Financial Statements” in this interim report.

Loan to an Associate

As at 30 June 2023, the Group had a loan to an associate of approximately RMB133,014,000 (31 December 2022: RMB121,400,000). The Group entered into a loan agreement with an associate, 江山寶源國際融資租賃有限公司 (Kong Sun Baoyuan International Financial Leasing Limited*) on 1 November 2022 for a loan period of 3 years. The loan is secured and interest-bearing, which carries interest rate of 9.0% per annum.

Trade, Bills and Other Receivables

Trade, bills and other receivables increased by approximately 4.0% from approximately RMB2,200,899,000 as at 31 December 2022 to approximately RMB2,288,255,000 as at 30 June 2023.

Trade and Other Payables

Trade and other payables decreased by approximately 17.6% from approximately RMB386,433,000 as at 31 December 2022 to approximately RMB318,265,000 as at 30 June 2023.

Lease Liabilities

As at 30 June 2023, the lease liabilities amounted to approximately RMB125,349,000 (31 December 2022: RMB129,983,000).

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Liquidity and Capital Resources

As at 30 June 2023, cash and cash equivalents of the Group was approximately RMB181,530,000 (31 December 2022: RMB301,979,000), which included an amount of bank balances of approximately RMB174,624,000 (31 December 2022: RMB299,525,000) denominated in RMB placed with banks in the PRC. The remaining balance of the Group's cash and cash equivalents consisted primarily of cash on hand and bank balances which were primarily denominated in Hong Kong dollar and placed with banks in Hong Kong.

As at 30 June 2023, the Group's net debt ratio (or gearing ratio), which was calculated by the total loans and other borrowings and corporate bonds minus total cash and cash equivalents, over total equity, was approximately 0.55 (31 December 2022: 0.52).

Capital Expenditure

During the six months ended 30 June 2023, the Group's total expenditure in respect of property, plant and equipment and solar power plants amounted to approximately RMB374,000 (six months ended 30 June 2022: RMB206,000) and approximately RMB1,335,000 (six months ended 30 June 2022: RMB1,658,000), respectively.

Loans and Borrowings

As at 30 June 2023, the Group's total loans and borrowings was approximately RMB2,056,465,000, representing an increase of approximately 1.1% as compared to approximately RMB2,034,419,000 as at 31 December 2022. All loans and borrowings of the Group were denominated in RMB, the functional currency of the Company's major subsidiaries in the PRC. As at 30 June 2023, loans and borrowings of approximately RMB1,179,530,000 (31 December 2022: RMB1,567,241,000) and approximately RMB876,935,000 (31 December 2022: RMB467,178,000) bear fixed interest rate and floating interest rate, respectively.

As at 30 June 2023, out of the total borrowings, approximately RMB396,726,000 (31 December 2022: RMB392,671,000) was repayable within one year and approximately RMB1,659,739,000 (31 December 2022: RMB1,641,748,000) was repayable after one year. For details, please refer to note 17 to the "Notes to the Condensed Consolidated Interim Financial Statements" of this interim report.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Corporate Bonds

As at 30 June 2023, corporate bonds denominated in Hong Kong dollar with an aggregate principal amount of HK\$19,000,000 (equivalent to approximately RMB16,453,000) (31 December 2022: HK\$19,000,000 (equivalent to approximately RMB16,972,000)) remained outstanding with certain independent third parties. The corporate bonds bear interest rates ranging from 3% to 6% (31 December 2022: 3% to 6%) per annum, and will mature on the date immediately following 3 to 96 months (31 December 2022: 3 to 96 months) after their issuance.

During the six months ended 30 June 2023 and 2022, the Group did not issue any corporate bonds.

During the six months ended 30 June 2022, the Group repaid HK\$48,000,000 (equivalent to approximately RMB41,049,000) in aggregate principal amount of the corporate bonds. No repayment was made for the six months ended 30 June 2023.

The corporate bonds are measured at amortised cost using effective interest method by applying an effective interest rate at 10.40% (six months ended 30 June 2022: ranging from 10.40% to 14.56%) per annum. Imputed interest of approximately HK\$385,000 (equivalent to approximately RMB341,000) (six months ended 30 June 2022: HK\$2,021,000 (equivalent to approximately RMB1,674,000)) (note 5 to the “Notes to the Condensed Consolidated Interim Financial Statements” of this interim report) in respect of the corporate bonds was recognised in profit or loss during the six months ended 30 June 2023.

Foreign Exchange Rate Risk

The Group primarily operates its business in the PRC and during the six months ended 30 June 2023, the Group’s revenue were primarily denominated in RMB, being the functional currency of the Group’s major operating subsidiaries. Accordingly, the directors of the Company (the “Directors”) expect that any future exchange rate fluctuation will not have any material effect on the Group’s business. The Group did not use any financial instruments for hedging purposes, but will continue to monitor foreign exchange changes to best preserve the Group’s cash value.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Charge on Assets

As at 30 June 2023, the Group had charged solar power plants, trade receivables and unlisted equity investments with net book value of approximately RMB946,204,000 (31 December 2022: RMB998,866,000), approximately RMB649,555,000 (31 December 2022: RMB439,125,000) and approximately RMB265,041,000 (31 December 2022: RMB276,626,000), respectively, to secure bank loans and other loans facilities granted to the Group.

Save as disclosed above and in note 17 to the “Notes to the Condensed Consolidated Interim Financial Statements” of this interim report, during the six months ended 30 June 2023, the Group has no other charges on assets.

Contingent Liabilities

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

Save as disclosed above, during the six months ended 30 June 2023, the Group has no other significant contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS *(continued)*

Employees and Remuneration Policy

As at 30 June 2023, the Group had approximately 830 employees (31 December 2022: 769) in Hong Kong and in the PRC. Compensation for the employees includes basic wages, variable wages, bonuses and other staff benefits. For the six months ended 30 June 2023, the total employee benefit expenses (including directors' emoluments) were approximately RMB101,807,000 (six months ended 30 June 2022: RMB83,022,000). For details, please refer to note 6(a) to the "Notes to the Condensed Consolidated Interim Financial Statements" of this interim report. The remuneration policy of the Group is to provide remuneration packages, including basic salary, short-term bonuses and long-term rewards, so as to attract and retain top quality staff. The remuneration committee of the Company reviews such packages annually, or when occasion requires.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION AND DISPOSAL

Save as disclosed in this interim report, the Group did not have any other significant investments in an investee company with a value of 5% or more of the Company's total assets, other material acquisition or disposal during the six months ended 30 June 2023, and there was no plan authorised by the Board for other material investments or additions of capital assets up to the date of this interim report.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

PROSPECT

As countries around the world introduced policies and targets to promote the development of renewable energy generation for energy decarbonization, the global demand for solar power will remain on a strong trend. The global solar power generation industry is expected to remain on its rapid development trend with the continuous fall in solar power equipment costs.

In the first half of 2023, with comprehensive policy support from all levels of the Chinese government, China's clean energy industry continued to develop steadily, and the solar power generation industry grew rapidly as the installed capacity continued to expand. According to the data released by the National Energy Administration, in the first half of 2023, China's newly installed solar power generation capacity was 78.42 million KW, and the cumulative installed capacity was 470 million KW. The national solar power generation reached 266.3 billion kWh. The continuous growth of solar power generation and wind power installation also provides favourable development opportunities to the renewable energy plants operation and maintenance services business.

Looking forward, the Group will continue the strategies on the operation of solar power plants, optimise asset allocation efficiency and step up to improve the efficiency of the equipment at the power stations, continue to develop its green finance and inclusive finance business, meanwhile accelerate its transformation into new businesses in other energy and health sectors, increase the proportion of asset-light and high-tech businesses, so as to maximise the return of the assets and value for the shareholders.

DISCLOSURE OF OTHER INFORMATION

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

At no time during the period under review were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

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

As at 30 June 2023, the interests or short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company or its any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which were required to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or were required pursuant to the Model Code for Securities Transactions by Directors of the Company (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange to be notified to the Company and the Stock Exchange were as follows:

Interests in underlying shares of the Company

Name of Director	Nature of interest	Number of shares held/ interested in	Approximate percentage of shareholding
<i>Executive Director</i> Xian He	Beneficial owner Interest of spouse ⁽¹⁾	1,650,000 (L) 5,475,000 (L)	0.01% 0.04%

Note:

- (1) 5,475,000 shares of the Company are held by Ms. He Xiang, who is the wife of Mr. Xian He. Therefore, Mr. Xian He is deemed to be interested in a long position of an aggregate of 5,475,000 shares of the Company held by Ms. He Xiang under the SFO.

DISCLOSURE OF OTHER INFORMATION *(continued)*

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES *(continued)*

Interests in underlying shares of the Company *(continued)*

Save as disclosed above, as at 30 June 2023, none of the Directors and chief executive of the Company, or their respective associates, had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company or the Stock Exchange under the Model Code.

SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director, as at 30 June 2023, the following persons, other than a Director or chief executive of the Company, had or deemed or taken to have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Nature of interest	Number of shares or underlying shares held ⁽³⁾	Percentage of shareholding ⁽²⁾
Miao Yu	Deemed interest in controlled corporation ⁽¹⁾	4,169,300,000 (L)	27.86%
Prospect Ace Limited	Beneficial owner ⁽¹⁾	4,169,300,000 (L)	27.86%
Xiang Jun	Beneficial owner	756,831,000 (L)	5.06%

DISCLOSURE OF OTHER INFORMATION *(continued)*

SUBSTANTIAL SHAREHOLDERS *(continued)*

Notes:

- (1) Miao Yu owns 100% equity interest of Prospect Ace Limited. Accordingly, Miao Yu is deemed to be interested in a long position of an aggregate of 4,169,300,000 shares held by Prospect Ace Limited.
- (2) The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 30 June 2023, being 14,964,442,519 shares.
- (3) The letter "L" denotes the person's long position in such securities.

Save as disclosed above, as at 30 June 2023, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investors' confidence to the Company and the Company's accountability. The Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules for its corporate governance practices during the period under review. In the opinion of the Board, save for the deviation as disclosed below, the Company has complied with the applicable code provisions as set out in the CG Code throughout the six months ended 30 June 2023.

Code provision C.2.1

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

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

DISCLOSURE OF OTHER INFORMATION *(continued)*

INTERIM DIVIDEND

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

EVENTS AFTER REPORTING DATE

On 27 July 2023, 榆林正信電力有限公司 (Yulin Zhengxin Electricity Limited*) (“Yulin Zhengxin”), as lessee, and 中集融資租賃有限公司 (CIMC Capital Ltd.*) (“CIMC Capital”), as lessor, entered into a finance lease agreement (the “Finance Lease Agreement”), pursuant to which CIMC Capital agreed to purchase certain photovoltaic power generating equipment and ancillary facilities regarding a 30MW photovoltaic power plant located in Shaanxi Province, the PRC (the “Leased Assets”) from Yulin Zhengxin for a total consideration of RMB150,000,000. The Leased Assets would then be leased to Yulin Zhengxin for a term of 13 years (the “Lease Period”). The legal ownership of the Leased Assets under the Finance Lease Agreement will be vested in CIMC Capital throughout the Lease Period. At the end of the Lease Period and subject to payments by Yulin Zhengxin of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB100 for the Leased Assets, the legal ownership of the Leased Assets will be vested in Yulin Zhengxin.

On 11 August 2023, the Group entered into sale and purchase agreements with an independent third party to dispose the entire equity interests in 定邊縣萬和順新能源發電有限公司 (Dingbian Wanheshun New Energy Power Generation Limited*), 黃石黃源光伏電力開發有限公司 (Huangshi Huangyuan Photovoltaic Power Development Limited*), Yulin Zhengxin, 嵯州懿暉光伏發電有限公司 (Shengzhou Yihui Photovoltaic Power Generation Limited*), 定邊縣晶陽電力有限公司 (Dingbian Jingyang Electric Co., Ltd.*) and 定邊縣智信達新能源有限公司 (Dingbian County Zhixinda New Energy Limited*), for total equity consideration of approximately RMB758,028,000. The transactions were pending to be approved by the shareholders in the coming extraordinary general meeting to be held on 20 September 2023.

Save as disclosed above, there are no important events affecting the Group which have occurred after 30 June 2023 and up to the date of this interim report.

DISCLOSURE OF OTHER INFORMATION *(continued)*

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Model Code as the code for dealing in securities of the Company by the Directors. The Company confirms that, having made specific enquiries with all the Directors, all the Directors have complied with the required standard of the Model Code during the six months ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

AUDIT COMMITTEE

The Audit Committee has reviewed, with no disagreement, the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2023 and has also reviewed and confirmed the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters.

By order of the Board
Kong Sun Holdings Limited
Jiang Hengwen
Chairman

31 August 2023, Hong Kong

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023
(Expressed in Renminbi unless otherwise stated)

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue	3	232,658	284,980
Cost of sales		(135,794)	(154,424)
Gross profit		96,864	130,556
Other gains, net	4	41,915	1,817
Administrative expenses		(96,667)	(88,384)
Loss on disposal of subsidiaries, net	20	-	(3,736)
Impairment loss on a disposal group classified as held for sale	16	-	(4,176)
Impairment loss on trade and other receivables, net	14	(7,390)	(10,084)
Finance costs	5	(79,991)	(106,852)
Share of profit of a joint venture	12	5,827	-
Share of profit/(loss) of associates	11	41,530	(958)
Profit/(loss) before income tax	6	2,088	(81,817)
Income tax expense	7	(6,268)	(7,648)
Loss for the period		(4,180)	(89,465)
Loss for the period attributable to:			
Owners of the Company		(5,209)	(91,103)
Non-controlling interests		1,029	1,638
		(4,180)	(89,465)
Loss per share attributable to owners of the Company for the period	8		
Basic (RMB cents)		(0.03)	(0.61)
Diluted (RMB cents)		(0.03)	(0.61)

The notes on pages 30 to 60 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

(Expressed in Renminbi unless otherwise stated)

	Notes	Six months ended 30 June	
		2023	2022
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Loss for the period		(5,209)	(91,103)
Other comprehensive income, net of tax			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value changes in financial assets measured at fair value through other comprehensive income, net	13	(18,216)	(16,190)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		22,878	(13,666)
Other comprehensive income for the period, net of tax		4,662	(29,856)
Total comprehensive income for the period		(547)	(120,959)
Total comprehensive income attributable to:			
Owners of the Company		(1,576)	(122,597)
Non-controlling interests		1,029	1,638
		(547)	(120,959)

The notes on pages 30 to 60 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

(Expressed in Renminbi unless otherwise stated)

		At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		13,877	20,843
Solar power plants	10	2,005,128	2,052,524
Interests in associates	11	231,855	180,448
Interest in a joint venture	12	199,537	193,710
Goodwill		547	547
Right-of-use assets		143,966	157,292
Financial assets measured at fair value through other comprehensive income	13	741,978	760,194
Loan receivables	14	214,369	176,234
Deferred tax assets		12,164	11,955
Loan to an associate		125,555	119,576
		3,688,976	3,673,323
Current assets			
Inventories		1,697	1,923
Trade and other receivables	14	2,073,886	2,024,665
Cash and cash equivalents	15	181,530	301,979
Loan to an associate		7,459	1,824
Total current assets		2,264,572	2,330,391
Current liabilities			
Trade, bills and other payables	16	318,265	386,433
Lease liabilities		13,631	13,410
Loans and borrowings	17	396,726	392,671
Corporate bonds	18	9,220	8,933
Tax payable		2,418	2,967
Total current liabilities		740,260	804,414
Net current assets		1,574,312	1,525,977
Total assets less current liabilities		5,213,288	5,199,300

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

As at 30 June 2023

(Expressed in Renminbi unless otherwise stated)

		At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
	<i>Notes</i>		
Non-current liabilities			
Lease liabilities		111,718	116,573
Loans and borrowings	17	1,659,739	1,641,748
Corporate bonds	18	7,233	6,863
		1,778,690	1,765,184
NET ASSETS		3,434,598	3,434,116
CAPITAL AND RESERVES			
Share capital	19	6,486,588	6,486,588
Reserves		(3,141,069)	(3,140,522)
Equity attributable to owners of the Company		3,345,519	3,346,066
Non-controlling interests		89,079	88,050
TOTAL EQUITY		3,434,598	3,434,116

The notes on pages 30 to 60 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

(Expressed in Renminbi unless otherwise stated)

Note	Equity attributable to the owners of the Company							Non-controlling interests	Total equity
	Share capital	PRC statutory reserve	Exchange reserve	Fair value through other comprehensive income reserve	Equity-settled share-based payment reserve	Accumulated losses	Total		
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Balance at 1 January 2022	6,486,588	117,696	(27,336)	(657,526)	47,670	(2,289,065)	3,678,027	83,491	3,761,518
Loss for the period	-	-	-	-	-	(91,103)	(91,103)	1,638	(89,465)
Other comprehensive income, net of tax	-	-	(13,666)	(16,190)	-	-	(29,856)	-	(29,856)
Total comprehensive income, net of tax	-	-	(41,002)	(673,716)	-	(2,380,168)	3,557,068	85,129	3,642,197
Equity-settled share-based transactions	6(a)	-	-	-	316	-	316	-	316
Lapse of share options	-	-	-	-	(47,986)	47,986	-	-	-
Appropriation to PRC statutory reserves	-	10,899	-	-	-	(10,899)	-	-	-
Disposal of subsidiaries	-	(1,570)	-	-	-	1,570	-	-	-
Balance at 30 June 2022	6,486,588	127,025	(41,002)	(673,716)	-	(2,341,511)	3,557,384	85,129	3,642,513
Balance at 1 January 2023	6,486,588	107,553	(41,050)	(681,211)	-	(2,525,814)	3,346,066	88,050	3,434,116
Loss for the period	-	-	-	-	-	(5,209)	(5,209)	1,029	(4,180)
Other comprehensive income, net of tax	-	-	22,878	(18,216)	-	-	4,662	-	4,662
Total comprehensive income, net of tax	-	-	(18,172)	(699,427)	-	(2,531,023)	3,345,519	89,079	3,434,598
Appropriation to PRC statutory reserves	-	3,531	-	-	-	(3,531)	-	-	-
Balance at 30 June 2023	6,486,588	111,084	(18,172)	(699,427)	-	(2,534,554)	3,345,519	89,079	3,434,598

The notes on pages 30 to 60 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023
(Expressed in Renminbi unless otherwise stated)

	Notes	Six months ended 30 June	
		2023	2022
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Net cash (used in) generated from operations		(218,093)	104,684
Tax paid		(7,487)	(14,159)
Net cash (used in) generated from operating activities		(225,580)	90,525
Cash flows from investing activities			
Payment for construction costs in respect of solar power plants		(3,477)	(3,620)
Proceeds from disposal of subsidiaries, net of cash disposed	20	90,232	81,225
Dividend income received from financial assets measured at fair value through other comprehensive income		20,250	–
Payment for purchase of financial assets measured at fair value through other comprehensive income		–	(18)
Receipt from reduction in investment of financial assets measured at fair value through other comprehensive income		–	272,500
Increase in loan to an associate		(6,000)	–
Payment for acquisition of associates		(10,000)	–
Other cash flows from investing activities		499	1,977
Net cash generated from investing activities		91,504	352,064

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

For the six months ended 30 June 2023
(Expressed in Renminbi unless otherwise stated)

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flow from financing activities		
Proceeds from new loans and borrowings	815,470	109,140
Repayment of loans and borrowings	(745,457)	(778,195)
Repayment of corporate bonds	-	(41,049)
Payment of lease liabilities	(4,230)	(1,261)
Interest paid	(75,690)	(193,941)
Net cash used in financing activities	(9,907)	(905,306)
Net decrease in cash and cash equivalents	(143,983)	(462,717)
Cash and cash equivalents at 1 January	301,979	702,142
Effect of foreign exchange rate changes	23,534	(29,866)
Cash and cash equivalents at 30 June	181,530	209,559
Cash and cash equivalents as at 1 January, represented by:		
Bank balances and cash	301,979	699,574
Bank balances and cash included in assets classified as held for sale	-	2,568
	301,979	702,142
Cash and cash equivalents as at 30 June, represented by:		
Bank balances and cash	181,530	209,380
Bank balances and cash included in assets classified as held for sale	-	179
	181,530	209,559

The notes on pages 30 to 60 form part of this interim report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). It was authorised for issued on 31 August 2023.

The financial information relating to the financial year ended 31 December 2022 that is included in the condensed consolidated interim financial information as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) of the Laws of Hong Kong (the “Companies Ordinance”) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6, to the Companies Ordinance.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022 which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The preparation of interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited interim financial information contains the condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

1. BASIS OF PREPARATION *(continued)*

These condensed consolidated interim financial information are unaudited and have not been reviewed by the auditors, but have been reviewed by the audit committee of the Company (“Audit Committee”) and approved and authorised for issue by the Board on 31 August 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost convention except for certain financial assets measured at fair value through other comprehensive income which are stated at fair values.

The accounting policies used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the financial statements contained in the 2022 annual report except for the adoption of the new standards, amendments or interpretations issued by the HKICPA which are mandatory for the annual periods beginning on or after 1 January 2023.

For the six months ended 30 June 2023, the Group have applied the following new and amendments to HKFRS issued by the HKICPA which were effective for the annual periods beginning on or after 1 January 2023:

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The following new or revised HKFRSs, potentially relevant to the Group's condensed consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

Amendments to HKFRS 10
and HKAS 28

Sale or Contribution of Assets between an Investor
and its Associate or Joint Venture¹

Amendments to HKAS 1

Classification of Liabilities as Current or Non-Current
and related amendments to Hong Kong
Interpretation 5 (Revised) Presentation of Financial
Statements²

Amendments to HKAS 1

Non-current liabilities with Covenants²

Amendments to HKFRS 16

Lease liability in a Sale and Leaseback²

Amendments to HKAS 7
and HKFRS 7

Supplier Finance Arrangements²

¹ No mandatory effective date yet determined but available for adoption.

² Effective for annual periods beginning on or after 1 January 2024.

The Group is not yet in a position to state whether these amendments will result in substantial changes to the Group's accounting policies and financial statements.

3. REVENUE AND SEGMENT INFORMATION

A. Revenue

Revenue mainly represents income from sales of electricity (including renewable energy subsidies), income from provision of solar power plant operation and maintenance services and interest income generated from provision of financial services. The amount of each significant category of revenue during the period is as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of electricity	153,548	215,861
Provision of solar power plant operation and maintenance services	50,590	51,713
Interest income generated from provision of financial services	28,520	17,406
	232,658	284,980

During the six months ended 30 June 2023, sales of electricity includes renewable energy subsidies amounted to approximately RMB92,760,000 (six months ended 30 June 2022: RMB128,027,000).

3. REVENUE AND SEGMENT INFORMATION *(continued)*

B. Segment information

(i) *Business segments*

The Board has identified the solar power plants, financial services, trading of liquefied natural gas (“LNG”) and other segments as the principal business components of the Group. Information regarding the Group’s reportable segments as provided to the Group’s most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2023 and 2022 is set out below.

	Six months ended 30 June 2023			
	Solar power plants RMB'000 (Unaudited)	Financial Services RMB'000 (Unaudited)	Trading of LNG RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from external customers	204,138	28,520	–	232,658
Inter-segment revenue	–	–	–	–
Reportable segment revenue	204,138	28,520	–	232,658
Reportable segment profit/(loss) (adjusted EBITDA)	90,525	9,626	(21)	100,130
Primary geographical markets PRC	204,138	28,520	–	232,658
Timing of revenue recognition				
At a point in time	–	–	–	–
Transferred over time	204,138	28,520	–	232,658
	204,138	28,520	–	232,658
As at 30 June 2023				
Reportable segment assets	3,494,357	627,427	3,130	4,124,914
Reportable segment liabilities	1,812,308	285,531	700	2,098,539

3. REVENUE AND SEGMENT INFORMATION *(continued)*

B. Segment information *(continued)*

(i) *Business segments (continued)*

	Six months ended 30 June 2022			
	Solar power plants RMB'000 (Unaudited)	Financial Services RMB'000 (Unaudited)	Trading of LNG RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from external customers	267,574	17,406	–	284,980
Inter-segment revenue	–	–	–	–
Reportable segment revenue	267,574	17,406	–	284,980
Reportable segment profit/(loss) (adjusted EBITDA)	132,971	2,727	(2)	135,696
Primary geographical markets				
PRC	267,574	17,406	–	284,980
Timing of revenue recognition				
At a point in time	–	–	–	–
Transferred over time	267,574	17,406	–	284,980
	267,574	17,406	–	284,980
As at 31 December 2022				
Reportable segment assets	3,545,104	419,336	2,561	3,967,001
Reportable segment liabilities	2,018,663	9,788	103	2,028,554

3. REVENUE AND SEGMENT INFORMATION *(continued)*

B. Segment information *(continued)*

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment revenue	232,658	284,980
Elimination of inter-segment revenue	-	-
Consolidated revenue	232,658	284,980
Profit		
Reportable segment profit	100,130	132,969
Other gains, net	14,652	9,349
Depreciation and amortisation	(63,417)	(89,673)
Loss on disposal of subsidiaries, net	-	(3,736)
Impairment loss on a disposal group classified as held for sale	-	(4,176)
Impairment loss on trade and other receivables, net	(7,390)	(10,084)
Share of profit/(loss) of associates	41,530	(958)
Finance costs	(79,991)	(106,852)
Equity-settled share-based payment expenses	-	(316)
Unallocated corporate expenses <i>(note (a))</i>	(3,426)	(8,340)
Consolidated profit/(loss) before income tax	2,088	(81,817)

3. REVENUE AND SEGMENT INFORMATION *(continued)*

B. Segment information *(continued)*

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

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Assets		
Reportable segment assets	4,124,914	3,967,001
Interests in associates	231,855	180,448
Interest in a joint venture	199,537	193,710
Financial assets measured at fair value through other comprehensive income	741,978	760,194
Deferred tax assets	12,164	11,955
Unallocated corporate assets <i>(note (b))</i>	643,100	890,406
Consolidated total assets	5,953,548	6,003,714
Liabilities		
Reportable segment liabilities	2,098,539	2,028,554
Corporate bonds	16,453	15,796
Unallocated corporate liabilities <i>(note (c))</i>	403,958	525,248
Consolidated total liabilities	2,518,950	2,569,598

3. REVENUE AND SEGMENT INFORMATION *(continued)*

B. Segment information *(continued)*

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

Notes:

- (a) Unallocated corporate expenses mainly included unallocated staff costs, unallocated legal and professional fees and unallocated rental expenses.
- (b) Unallocated corporate assets mainly included unallocated cash and cash equivalents and unallocated trade and other receivables.
- (c) Unallocated corporate liabilities mainly included unallocated trade and other payables.

(iii) *Geographic information*

As the Group does not have material operation outside the PRC, no geographic segment information is presented.

4. OTHER GAINS, NET

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income	6,700	2,149
Dividend income	20,250	–
Net foreign exchange gain	7,952	7,200
Properties rental income	5,910	5,248
Government allowance	–	391
Solar power plant rectification expenses	(1,039)	(11,722)
Others	2,142	(1,449)
	41,915	1,817

5. FINANCE COSTS

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on loans and borrowings	75,420	99,101
Imputed interest on corporate bonds (note 18)	341	1,674
Interest on lease liabilities	4,230	6,077
	79,991	106,852

6. PROFIT/(LOSS) BEFORE INCOME TAX

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

A. Employee benefit expenses (including directors' emoluments)

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, wages and other benefits	89,599	72,591
Contributions to defined contribution retirement plan	12,208	10,115
Equity-settled share-based payment expenses	—	316
	101,807	83,022

B. Other items

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Amortization of right-of-use assets	10,838	11,762
Auditor's remuneration	810	790
Depreciation		
— Property, plant and equipment	1,115	1,677
— Solar power plants	51,464	76,234
Operating lease expenses in respect of short-term leases	613	1,047

7. INCOME TAX EXPENSE

The amount of income tax expense in the condensed consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
— PRC corporate income tax	6,477	9,312
Deferred tax	(209)	(1,664)
	6,268	7,648

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits arising in Hong Kong during the six months ended 30 June 2023 and 2022.

The Group's PRC entities are subject to corporate income tax at the statutory rate of 25%, unless otherwise specified.

Pursuant to CaiShui [2008] No. 46 Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment* (財政部、國家稅務總局關於執行公共基礎設施項目企業所得稅優惠目錄有關問題的通知), certain solar power plant projects of the Group, which are approved after 1 January 2008, are entitled to a tax holiday of a 3-year full exemption followed by a 3-year 50% exemption commencing from their respective years in which their first operating income is derived.

According to the PRC Corporate Income Tax Law and its related regulations, the Group is subject to a withholding tax at 10%, unless reduced by tax treaties or arrangements, for dividends distributed by a PRC enterprise to its immediate holding company outside the PRC or earnings generated beginning on 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. According to the China — HK Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident which is the "beneficial owner" of the dividends received and directly holds 25% or more of a PRC enterprise is entitled to a reduced withholding rate of 5%. Deferred withholding tax payable relating to the temporary differences arising from the undistributed profits of the Group's PRC subsidiaries has not been recognised as the Company controls the dividend policy of the Group's PRC subsidiaries and it has been determined that it is probable that profits will not be distributed in the foreseeable future.

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD

The calculation of basic and diluted loss per share for the six months ended 30 June 2023 is based on loss attributable to owners of the Company for the period of approximately RMB5,209,000 (six months ended 30 June 2022: RMB91,103,000) and on the weighted average number of approximately 14,964,442,000 (six months ended 30 June 2022: 14,964,442,000) ordinary shares in issue during the period.

Diluted loss per share for the six months ended 30 June 2023 and 2022 was the same as basic loss per share because the impact of the exercise of share options was antidilutive.

9. DIVIDEND

No dividend was paid or proposed during the six months ended 30 June 2023 nor has any dividend been proposed since the end of the reporting period up to the date of this interim report (six months ended 30 June 2022: Nil).

10. SOLAR POWER PLANTS

During the six months ended 30 June 2023, the Group increased its investments in solar power plants of approximately RMB1,335,000 (six months ended 30 June 2022: RMB1,658,000). During the six months ended 30 June 2023, there was no disposal of solar power plant. During the six months ended 30 June 2022, the Group successfully complete the disposals of three solar power plants with total installed capacity of 140 megawatts ("MW").

Solar power plants under construction would be transferred to solar power plants when the solar power plants complete their trial operations and are connected to provincial power grid and generate electricity.

As at 30 June 2023, certain solar power plants with carrying amount of approximately RMB351,535,000 (31 December 2022: RMB360,778,000) were constructed and built on lands in the PRC which the Group has not yet paid the related land premium and obtained the relevant title certificates. The Directors do not expect any legal obstacles for the Group in obtaining the relevant title certificates.

As at 30 June 2023, certain solar power plants with carrying amount of approximately RMB946,204,000 (31 December 2022: RMB998,866,000) were pledged as securities for the Group's loans and borrowings (note 17).

11. INTERESTS IN ASSOCIATES

Particulars of the associates as at 30 June 2023 and 31 December 2022 are as follows:

Name	Place of incorporation and principal place of operation	Percentage of ownership interest/ voting rights	Principal activity
江山寶源國際融資租賃有限公司 (Kong Sun Baoyuan International Financial Leasing Limited*)	PRC	37.6% (31 December 2022: 37.6%)	Finance leases and factoring businesses
通服商業保理有限責任公司 (Tongfu Commercial Factoring Co., Ltd.*)	PRC	10% (31 December 2022: 10%)	Factoring business
蘇州中能鼎立科技有限公司 (Suzhou Zhongneng Dingli Technology Co., Ltd.*) (Formerly known as 蘇州中能鼎立電子商務有限公司 (Suzhou Zhongneng Dingli E-commercial Co., Ltd.*)	PRC	10% (31 December 2022: 10%)	LNG trading platform development and business in relation to LNG management
東台瀟晶光伏有限公司 (Dongtai Lanjing Photovoltaic Co., Ltd.*)	PRC	36.79% (31 December 2022: 36.79%)	Solar power generation and development
廣州啄木鳥數字科技有限公司 (Guangzhou Woodpecker Digital Technology Co., Ltd*)	PRC	40% (31 December 2022: 40%)	Consulting service
北京江山明輝新能源有限公司 (Beijing Kong Sun Minghui New Energy Limited*)	PRC	15% (31 December 2022: 15%)	Solar power generation and development
北京百數康科技有限公司 (Beijing Baishukang Technology Limited*)	PRC	65% (31 December 2022: N/A)	Technical services

11. INTERESTS IN ASSOCIATES (continued)

Name	Place of incorporation and principal place of operation	Percentage of ownership interest/ voting rights	Principal activity
北京清樣國際養老投資管理有限公司 (Beijing Qingmeng International Endowment Investment Management Limited*)	PRC	1.38% (31 December 2022: N/A)	Investment management
新疆江山永恆新能源管理有限責任公司 (Xinjiang Kong Sun Yongheng New Energy Management Co, Ltd.*)	PRC	49% (31 December 2022: N/A)	Energy management contract

The arrangement of the above investments provided the Group with the power to participate in the financial and operating decision but was not in control nor jointly control over those policies. Under HKAS 28, these entities were classified as associates and had been accounted for in the condensed consolidated financial statements using equity method.

12. INTEREST IN A JOINT VENTURE

Particulars of the joint venture as at 30 June 2023 and 31 December 2022 are as follows:

Name of joint venture	Form of business structure	Country of incorporation and principal place of operation	Percentage of ownership interest	Principal activity
北京紅楓新能源合夥企業 (有限合夥)(Beijing Hongfeng New Energy Partnership (Limited Partnership)*) ("Beijing Hongfeng")	Incorporated	PRC	90.09% (31 December 2022: 90.09%)	Investment holding

Beijing Hongfeng was incorporated in the PRC and is primarily engaged in the investment holding in the PRC. The Group has joint control with other joint venture partners in accordance with relevant contractual agreement in which decisions about the relevant activities require the unanimous consent of the parties sharing control. Under HKFRS 11, this joint arrangement is classified as a joint venture and had been accounted for in the condensed consolidated financial statements using equity method.

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

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Financial assets measured at fair value through other comprehensive income		
Unlisted partnership investments (note (a))	302,463	302,463
Unlisted equity investments (note (b))	439,515	457,731
	741,978	760,194

Notes:

(a) As at 30 June 2023 and 31 December 2022, the Group's unlisted partnership investments included the followings:

- (i) On 13 December 2017, a wholly-owned subsidiary of the Company, as a junior limited partner, and the other two partners, being independent third parties to the Group, entered into a limited partnership, namely 台州久安股權投資合夥企業(有限合夥) (Taizhou Jiuan Equity Investment Partnership (Limited Partnership)*) ("Taizhou Jiuan Limited Partnership") pursuant to the partnership agreement ("Taizhou Jiuan Partnership Agreement") for carrying out investments in high-tech, new industries, energy sector and other high growth unlisted enterprises. Pursuant to the Taizhou Jiuan Partnership Agreement, the total capital contribution of Taizhou Jiuan Limited Partnership shall amount to RMB2,501,000,000, in which the Group's capital contribution is approximately 19.99% (equivalent to approximately RMB500,000,000). As at 30 June 2023, the Group's actual capital contribution paid in Taizhou Jiuan Limited Partnership was approximately RMB300,000,000 (31 December 2022: RMB300,000,000).

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

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

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

Notes: (continued)

(a) (continued)

(ii) On 22 September 2017, a wholly-owned subsidiary of the Company, as a senior limited partner, and the other two partners, being independent third parties to the Group, entered into a limited partnership, namely 霍爾果斯鑫和優美股權投資合夥企業(有限合夥)(Huoerguosi Xinheyoumei Equity Investment Partnership (Limited Partnership)* (“Huoerguosi Limited Partnership”), pursuant to the partnership agreement (“Huoerguosi Partnership Agreement”) for carrying out investments primarily in elderly care, tourism and cultural industries. Pursuant to Huoerguosi Partnership Agreement, the total capital contribution of Huoerguosi Limited Partnership shall amount to RMB200,000,000, in which the Group’s capital contribution is approximately 89.55% (equivalent to approximately RMB179,100,000). As at 30 June 2023, the fair value of the Group’s actual capital contribution paid in Huoerguosi Limited Partnership was approximately RMB2,463,000 (31 December 2022: RMB2,463,000).

(b) As at 30 June 2023 and 31 December 2022, included in the Group’s unlisted equity investments, included the followings:

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

The total consideration of the Subscription A and Subscription B was approximately RMB191,174,000. During the year ended 31 December 2019, the Group received bonus issue of 8,875,316 shares of Hohhot Jingu Bank. Upon the receipt of bonus issue and as at 30 June 2020 and 31 December 2019, the Group held an aggregate of 72,600,160 shares of Hohhot Jingu Bank, representing approximately 4.88% of the issued share capital of Hohhot Jingu Bank.

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

Notes: *(continued)*

(b) *(continued)*

(i) *(continued)*

Details of the subscription agreements and the Termination Agreement with Hohhot Jingu Bank are set out in the Company's announcements dated 27 February 2017, 14 December 2017 and 22 June 2018, respectively.

For the six months ended 30 June 2023, a fair value loss of approximately RMB6,631,000 (six months ended 30 June 2022: RMB12,335,000) was recognised in other comprehensive income. As at 30 June 2023, the approximately 4.88% (31 December 2022: 4.88%) equity interests in Hohhot Jingu Bank of approximately RMB174,474,000 (31 December 2022: RMB181,105,000) was determined with reference to the valuation report prepared by an independent professional qualified valuer.

(ii) As at 30 June 2023, the unlisted equity investment, at fair value, represents approximately 1.03% (31 December 2022: 1.03%) and approximately 0.77% (31 December 2022: 0.77%) of the total number of domestic shares and the total number of shares (including domestic shares and H-shares) of Bank of Jinzhou Co., Ltd. ("Jinzhou Bank"), respectively. On 30 March 2017, a wholly-owned subsidiary of the Company entered into two share transfer agreements with two vendors, being independent third party to the Group, to acquire 107,500,000 domestic shares of Jinzhou Bank, a bank based in the PRC, at the price of RMB7.9161 per domestic share. The total consideration of the acquisition of the shares of Jinzhou Bank was approximately RMB850,981,000. Details of the acquisitions are set out in the Company's announcements dated 30 March 2017 and 31 March 2017, respectively.

For the six months ended 30 June 2023, a fair value loss of approximately RMB11,585,000 (six months ended 30 June 2022: RMB3,855,000) was recognised in other comprehensive income. The fair value of the unlisted equity investment of Jinzhou Bank as at 30 June 2023 of approximately RMB265,041,000 (31 December 2022: RMB276,626,000) was determined with reference to the valuation report prepared by an independent professional qualified valuer.

Given that the Group has no power to govern or participate in the financial and operating policies of above partnerships and investment entities so as to obtain benefits from their activities and does not intend to trade for short-term profit, the directors of the Company designated the above unlisted investment as financial assets at fair value through other comprehensive income.

As at 30 June 2023, the unlisted equity investments measured at fair value with the carrying amount of approximately RMB265,041,000 (31 December 2022: RMB276,626,000) were pledged as securities for the Group's loans and borrowings (note 17).

14. TRADE, BILLS AND OTHER RECEIVABLES

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Trade receivables	1,691,439	1,444,899
Bills receivables	–	40,000
Impairment provision for trade receivables	(40,081)	(32,691)
Trade and bills receivables, net (note (i))	1,651,358	1,452,208
Other receivables, prepayments and deposits	827,999	939,793
Impairment provision for other receivables	(191,102)	(191,102)
Other receivables, prepayments and deposits, net	636,897	748,691
	2,288,255	2,200,899
Less: Amount shown under non-current assets		
Loan receivables, net	(214,369)	(176,234)
Amount shown under current assets	2,073,886	2,024,665

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

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Less than 3 months	199,162	497,391
Over 3 months but less than 6 months	265,866	62,570
Over 6 months but less than 12 months	307,935	97,110
Over 12 months but less than 24 months	251,415	211,504
Over 24 months	626,980	543,633
	1,651,358	1,412,208

14. TRADE, BILLS AND OTHER RECEIVABLES (continued)

Movements in provision for impairment of trade and other receivables for the six months ended 30 June 2023 are as follows:

	Trade receivables RMB'000 (Unaudited)	Other receivables RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
At 1 January 2023	32,691	191,102	223,793
Impairment provision during the period	7,390	–	7,390
At 30 June 2023	40,081	191,102	231,183

Notes:

- (i) The Group's trade receivables are mainly receivables from sales of electricity. The bills receivables represented outstanding commercial acceptance bills. Generally, the receivables are due within 30 to 180 days as at 30 June 2023 (31 December 2022: 30 to 180 days) from the date of billing, except for renewable energy subsidies.

Renewable energy subsidies receivables represent PRC government subsidies on solar power plants to be received from the State Grid Company based on the respective electricity sale and purchase agreements for each of the solar power plants and the prevailing nationwide government policies. As at 30 June 2023, the outstanding renewable energy subsidies amounted to approximately RMB1,026,904,000 (31 December 2022: RMB929,580,000).

- (ii) As at 30 June 2023, certain trade receivables arising from the sales of electricity amounting to approximately RMB649,555,000 (31 December 2022: RMB439,125,000) were pledged as securities for the Group's loans and borrowings (note 17).

15. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents of the Group is approximately RMB174,624,000 as at 30 June 2023 (31 December 2022: RMB299,525,000) of bank balances denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

16. TRADE AND OTHER PAYABLES

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Trade payables	91,767	104,306
Other payables and accruals	226,498	282,127
	318,265	386,433

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

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Current or less than 3 months	5,961	32,147
Over 3 months but less than 6 months	14,161	10,027
Over 6 months but less than 12 months	9,957	8,914
Over 12 months	61,688	53,218
	91,767	104,306

17. LOANS AND BORROWINGS

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Current		
Secured		
— bank loans	315,750	207,500
— other borrowings	80,976	185,171
	396,726	392,671
Non-current		
Secured		
— bank loans	183,970	—
— other borrowings	1,475,769	1,641,748
	1,659,739	1,641,748
Total loans and borrowings	2,056,465	2,034,419

17. LOANS AND BORROWINGS (continued)

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

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Within 1 year	396,726	392,671
After 1 year but within 2 years	778,568	1,416,228
After 2 years but within 5 years	443,007	179,331
After 5 years	438,164	46,189
	2,056,465	2,034,419

Loans and other borrowings bear interest ranging from 4.9% to 10.25% (31 December 2022: 4.9% to 10.25%) per annum.

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

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Fixed-rate borrowings	1,179,530	1,567,241
Floating-rate borrowings	876,935	467,178
	2,056,465	2,034,419

17. LOANS AND BORROWINGS (continued)

The loans and borrowings were secured by the following assets:

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Solar power plants (note 10)	946,204	998,866
Trade receivables (note 14)	649,555	439,125
Financial assets measured at fair value through other comprehensive income (note 13)	265,041	276,626
	1,860,800	1,714,617

As at 30 June 2023 and 31 December 2022, loans and borrowings that are secured by the equity interests of certain subsidiaries of the Company are summarised as follows:

- (a) other borrowings of approximately RMB679,810,000 (31 December 2022: RMB1,014,741,000) were pledged by 99.96% equity interests of 常熟宏略光伏电站開發有限公司 (Changshu Honglu Photovoltaic Power Plants Development Co., Ltd.*) and its subsidiaries including 六安旭強新能源工程有限公司 (Luan Xuqiang New Energy Engineering Limited*), 定邊縣晶陽電力有限公司 (Dingbian Jingyang Electric Limited*), 定邊縣智信達新能源有限公司 (Dingbian County Zhixinda New Energy Limited*) and 嵯州懿暉光伏發電有限公司 (Shengzhou Yihui Photovoltaic Power Generation Limited*);
- (b) other borrowings of approximately RMB200,000,000 (31 December 2022: RMB Nil) were pledged by 100% equity interests of 合肥綠聚源光伏發電有限公司 (Hefei Lvju Yuan Photovoltaic Power Generation Investment Limited*);

17. LOANS AND BORROWINGS (continued)

- (c) other borrowings of approximately RMB45,882,000 (31 December 2022: RMB Nil) were pledged by 100% equity interests of 肥西中暉光伏發電有限公司 (Feixi Zhonghui Photovoltaic Power Limited*);
- (d) other borrowings of approximately RMB49,412,000 (31 December 2022: RMB Nil) were pledged by 100% equity interests of 宿州旭強新能源工程有限公司 (Suzhou Xuqing New Energy Engineering Limited*); and
- (e) other borrowings of approximately RMB65,383,000 (31 December 2022: RMB Nil) were pledged by 100% equity interests of 黃石黃源光伏發電有限公司 (Huangshi Huangyuan Photovoltaic Power Development Limited*).

18. CORPORATE BONDS

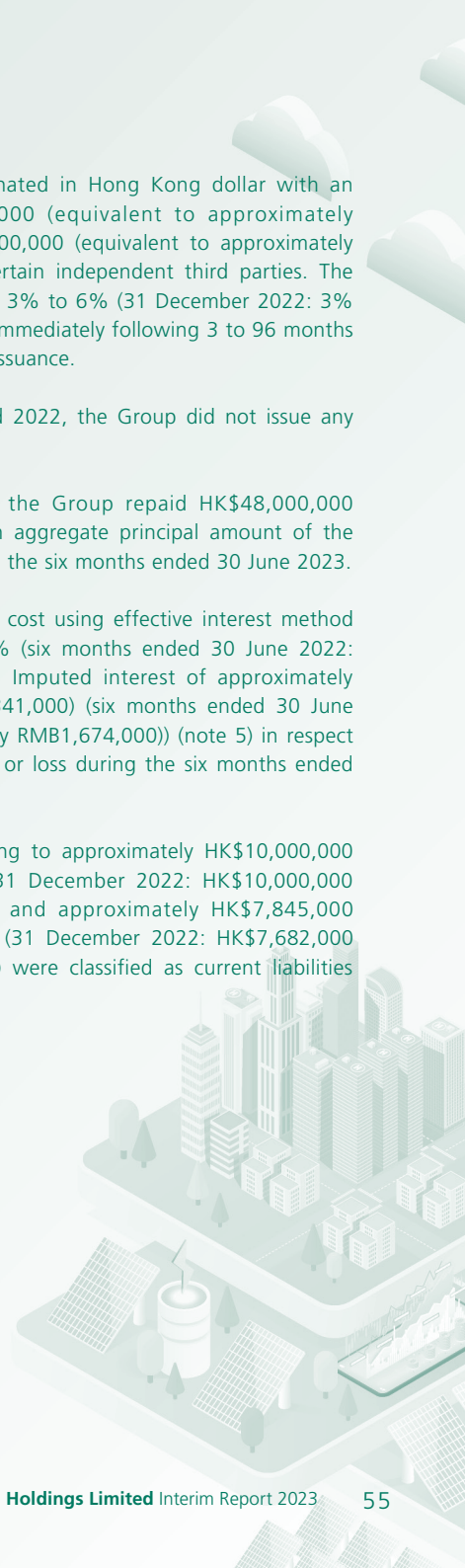
As at 30 June 2023, corporate bonds denominated in Hong Kong dollar with an aggregate principal amount of HK\$19,000,000 (equivalent to approximately RMB16,453,000) (31 December 2022: HK\$19,000,000 (equivalent to approximately RMB16,972,000)) remained outstanding with certain independent third parties. The corporate bonds bear interest rates ranging from 3% to 6% (31 December 2022: 3% to 6%) per annum, and will mature on the date immediately following 3 to 96 months (31 December 2022: 3 to 96 months) after their issuance.

During the six months ended 30 June 2023 and 2022, the Group did not issue any corporate bonds.

During the six months ended 30 June 2022, the Group repaid HK\$48,000,000 (equivalent to approximately RMB41,049,000) in aggregate principal amount of the corporate bonds. No repayment was made during the six months ended 30 June 2023.

The corporate bonds are measured at amortised cost using effective interest method by applying an effective interest rate at 10.40% (six months ended 30 June 2022: ranging from 10.40% to 14.56%) per annum. Imputed interest of approximately HK\$385,000 (equivalent to approximately RMB341,000) (six months ended 30 June 2022: HK\$2,021,000 (equivalent to approximately RMB1,674,000)) (note 5) in respect of the corporate bonds was recognised in profit or loss during the six months ended 30 June 2023.

As at 30 June 2023, corporate bonds amounting to approximately HK\$10,000,000 (equivalent to approximately RMB9,220,000) (31 December 2022: HK\$10,000,000 (equivalent to approximately RMB8,933,000)) and approximately HK\$7,845,000 (equivalent to approximately RMB7,233,000) (31 December 2022: HK\$7,682,000 (equivalent to approximately RMB6,863,000)) were classified as current liabilities and non-current liabilities, respectively.



19. SHARE CAPITAL

	Number of shares	RMB'000
Issued and fully paid:		
At 1 January 2022, 30 June 2022, 31 December 2022, 1 January 2023 and 30 June 2023	14,964,442	6,486,588

20. DISPOSAL OF SUBSIDIARIES

Please refer to the 2022 interim report of the Company for comparative information relating to disposal of subsidiaries.

21. CAPITAL COMMITMENTS

At 30 June 2023, the Group had outstanding capital commitments as follows:

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Contracted but not provided for in respect of — the construction costs and service expense for solar power plants under construction	17,852	27,385

22. MATERIAL RELATED PARTY TRANSACTION

During the six months ended 30 June 2023, the Group entered into the following transactions with a related party:

Loan to an associate

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Loan to an associate, net		
Non-current	125,555	119,576
Current	7,459	1,824
	133,014	121,400

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

Save as disclosed above, during the six months ended 30 June 2023, the Group had no other material related party transactions.

23. FAIR VALUE MEASUREMENT

The Group followed HKFRS 7 Financial Instruments: Disclosures which introduce a three-level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements.

The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

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

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 June 2023				
Financial assets measured at fair value through other comprehensive income	–	–	741,978	741,978
As at 31 December 2022				
Financial assets measured at fair value through other comprehensive income	–	–	760,194	760,194

23. FAIR VALUE MEASUREMENT *(continued)*

The fair values of the financial assets measured at fair value through other comprehensive income relating to Hohhot Jingu Bank (note 12(b)(i)) in Level 3 are derived from the application of the market approach technique known as guideline publicly-traded comparable method which utilizes the price-to-book ratios of similar and comparable commercial banks publicly traded in the PRC to arrive at an indication of value, then adjusted for the lack of marketability discount as at 30 June 2023.

The fair values of the financial assets measured at fair value through other comprehensive income relating to Jinzhou Bank (note 12(b)(ii)) in Level 3 are derived from the application of the market approach technique known as guideline publicly-traded comparable method which utilizes the price-to-book ratios of similar and comparable commercial banks publicly traded in the PRC, then adjusted for the lack of marketability discount as at 30 June 2023.

The fair values of the unlisted partnership investments and unlisted equity investments, except for Jinzhou Bank and Hohhot Jingu Bank, in Level 3 have been determined with reference to the fair values of the underlying assets and liabilities of the investees as at 30 June 2023.

Significant unobservable inputs

Hohhot Jingu Bank

Discount for lack of marketability 20.6% (31 December 2022: 20.6%)

If the discount for lack of marketability is 5% higher or lower, while all the other variables were held constant, the fair value of the financial assets measured at fair value through other comprehensive income in respect of Hohhot Jingu Bank would decrease/ increase by approximately RMB10,987,000 (31 December 2022: RMB11,405,000).

There is no change in valuation techniques during the period.

Jinzhou Bank

Discount for lack of marketability 20.6% (31 December 2022: 20.6%)

There is no change in valuation techniques during the period. Given that Jinzhou Bank had been suspended for trading due to significant asset reorganisation and the outcome of significant asset reorganisation was uncertain at year end date, a discount for lack of marketability was adopted by the valuer.

If the discount for lack of marketability is 5% higher or lower, while all the other variables were held constant, the fair value of the financial assets measured at fair value through other comprehensive income in respect of Jinzhou Bank would decrease/ increase by approximately RMB16,690,000 (31 December 2022: RMB17,420,000).

23. FAIR VALUE MEASUREMENT (continued)

	RMB'000 (Unaudited)
At 1 January 2023	760,194
Fair value changes recognised in other comprehensive income during the period	(18,216)
At 30 June 2023	741,978

There were no transfers between Level 1 and Level 2, or transfers into or out of level 3 during the six months ended 30 June 2023.

24. EVENTS AFTER REPORTING DATE

On 27 July 2023, 榆林正信電力有限公司 (Yulin Zhengxin Electricity Limited*) (“Yulin Zhengxin”), as lessee, and 中集融資租賃有限公司 (CIMC Capital Ltd.*) (“CIMC Capital”), as lessor, entered into a finance lease agreement (the “Finance Lease Agreement”), pursuant to which CIMC Capital agreed to purchase certain photovoltaic power generating equipment and ancillary facilities regarding a 30MW photovoltaic power plant located in Shaanxi Province, the PRC (the “Leased Assets”) from Yulin Zhengxin for a total consideration of RMB150,000,000. The Leased Assets would then be leased to Yulin Zhengxin for a term of 13 years (the “Lease Period”). The legal ownership of the Leased Assets under the Finance Lease Agreement will be vested in CIMC Capital throughout the Lease Period. At the end of the Lease Period and subject to payments by Yulin Zhengxin of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB100 for the Leased Assets, the legal ownership of the Leased Assets will be vested in Yulin Zhengxin.

On 11 August 2023, the Group entered into sale and purchase agreements with an independent third party to dispose the entire equity interests in 定邊縣萬和順新能源發電有限公司 (Dingbian Wanheshun New Energy Power Generation Limited*), 黃石黃源光伏電力開發有限公司 (Huangshi Huangyuan Photovoltaic Power Development Limited*), Yulin Zhengxin, 嵯州懿暉光伏發電有限公司 (Shengzhou Yihui Photovoltaic Power Generation Limited*), 定邊縣晶陽電力有限公司 (Dingbian Jingyang Electric Co., Ltd.*) and 定邊縣智信達新能源有限公司 (Dingbian County Zhixinda New Energy Limited*), for total equity consideration of approximately RMB758,028,000. The transactions were pending to be approved by the shareholders in the coming extraordinary general meeting to be held on 20 September 2023.

Save as disclosed above, there are no other material events affecting the Group which have occurred after 30 June 2023 and up to the date of this interim report.