CONCORD NEW ENERGY

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

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board of directors (the "Directors") of Concord New Energy Group Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2024, together with the comparative figures for the corresponding period in 2023. These consolidated financial statements are unaudited but have been reviewed by the Company's audit committee.

**for identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2024 – Unaudited
(Expressed in RMB)

	Notes	2024 RMB'000	2023 RMB'000 (Restated)#
Continuing operations			
Revenue	*2,3*	**1,753,257**	1,331,203
Cost of sales and services rendered		**(901,164)**	(510,594)
Gross profit		**852,093**	820,609
Other income	*4*	**76,577**	40,277
Other gains and losses, net	*5*	**(724)**	24,574
Impairment losses under expected credit loss model, net of reversal	*6*	**-**	(564)
Distribution and selling expenses		**(6,051)**	(2,269)
Administrative expenses		**(162,642)**	(169,793)
Finance costs	*7*	**(340,563)**	(312,845)
Share of profit of joint ventures, net		**94,466**	131,007
Share of profit of associates, net		**8,205**	13,045
Profit before income tax		**521,361**	544,041
Income tax credit / (expenses)	*8*	**26,097**	(44,182)
Profit for the period from continuing operations		**547,458**	499,859
Discontinued operation			
Profit for the period discontinued operation, net of tax	*9*	**-**	19,735
Profit for the period		**547,458**	519,594
Attributable to equity shareholders of the Company:			
From continuing operations		**501,370**	484,932
From discontinued operation		**-**	11,372
		501,370	496,304
Attributable to non-controlling interests of the Company:			
From continuing operations		**46,088**	14,927
From discontinued operation		**-**	8,363
		46,088	23,290
Profit for the period		**547,458**	519,594
Earnings per share			
Basic earnings per share *(RMB cents)*	*10(a)*	**6.24**	5.83
Diluted earnings per share *(RMB cents)*	*10(b)*	**6.23**	5.81
Earnings per share - continuing operations			
Basic earnings per share *(RMB cents)*	*10(a)*	**6.24**	5.70
Diluted earnings per share *(RMB cents)*	*10(b)*	**6.23**	5.68

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024 – Unaudited
(Expressed in RMB)

	2024	2023
	RMB'000	*RMB'000*
		(Restated) #
Profit for the period	**547,458**	519,594
Other comprehensive income:		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**(6,475)**	7,063
Other comprehensive income for the period, net of tax	**(6,475)**	7,063
Total comprehensive income for the period	**540,983**	526,657
Attributable to equity shareholders of the Company:		
From continuing operations	**495,141**	493,546
From discontinued operation	**-**	11,372
	495,141	504,918
Attributable to non-controlling interests of the Company:		
From continuing operations	**45,842**	13,376
From discontinued operation	**-**	8,363
	45,842	21,739
Total comprehensive income for the period	**540,983**	526,657

#Comparative information has been re-presented due to a discontinued operation.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024 – Unaudited
(Expressed in RMB)

	Notes	**30 June 2024** *Unaudited* ***RMB'000***	31 December 2023 *Audited* *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**18,452,590**	17,759,434
Right-of-use assets		**1,277,053**	949,945
Intangible assets		**716,034**	716,034
Interests in associates		**766,456**	758,251
Interests in joint ventures		**2,139,237**	2,082,481
Financial assets at fair value through profit or loss		**39,251**	14,746
Prepayments, deposits and other receivables		**1,795,892**	1,621,121
Finance lease receivables		**275,968**	269,816
Loan receivables		**20,452**	30,833
Deferred tax assets		**51,515**	47,268
		25,534,448	24,249,929
Current assets			
Inventories		**32,993**	46,295
Contract assets	*12*	**100,718**	116,175
Trade and bills receivable	*13*	**1,897,401**	1,415,900
Prepayments, deposits and other receivables		**981,586**	926,884
Finance lease receivables		**57,927**	50,293
Loan receivables		**18,235**	17,797
Amounts due from associates		**52,816**	50,771
Amounts due from joint ventures		**324,723**	304,949
Financial assets at fair value through profit or loss		**563,080**	154,451
Cash and cash equivalents		**2,337,058**	2,445,465
Restricted deposits		**461,648**	1,457,459
		6,828,185	6,986,439
Total assets		**32,362,633**	31,236,368
LIABILITIES			
Non-current liabilities			
Bank borrowings		**5,097,545**	2,809,059
Other borrowings		**10,601,579**	11,856,855
Lease liabilities		**442,194**	135,486
Deferred tax liabilities		**18,978**	57,722
Deferred government grants		**4,441**	4,516
Payables for construction in progress, other payables and accruals		**849,120**	1,050,671
Financial guarantee contract liabilities		**6,235**	8,060
		17,020,092	15,922,369

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*
As at 30 June 2024 – Unaudited
(Expressed in RMB)

	Notes	**30 June 2024** *Unaudited* ***RMB'000***	31 December 2023 *Audited* *RMB'000*
Current liabilities			
Trade and bills payable	*14*	**900,729**	1,672,288
Payables for construction in progress, other payables and accruals		**3,207,692**	3,084,416
Contract liabilities		**41,428**	52,496
Amounts due to associates		**70**	70
Amounts due to joint ventures		**66,173**	35,574
Bank borrowings		**1,038,339**	973,253
Other borrowings		**1,265,499**	895,844
Lease liabilities		**24,523**	21,821
Financial guarantee contract liabilities		**4,179**	4,823
Current income tax liabilities		**18,688**	138,000
		6,567,320	6,878,585
Total liabilities		**23,587,412**	22,800,954
Net current assets		**260,865**	107,854
Total assets less current liabilities		**25,795,313**	24,357,783
Net assets		**8,775,221**	8,435,414
EQUITY			
Share capital	*15*	**69,509**	72,598
Reserves		**8,445,016**	8,210,438
Total equity attributable to equity shareholders of the Company		**8,514,525**	8,283,036
Non-controlling interests		**260,696**	152,378
Total equity		**8,775,221**	8,435,414

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Basis of preparation and presentation

The unaudited consolidated financial statements of the Company and its subsidiaries (together the "Group") for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in Hong Kong Financial Reporting Standards ("HKFRSs ") and the following amendments to HKAS issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024.

Amendments to HKAS 1	*Presentation of financial statements: Classification of liabilities as current or noncurrent("2020amendments")*
Amendments to HKAS 1	*Presentation of financial statements: Non-current Liabilities with Covenants ("2022 amendments")*
Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*

Amendments to HKAS 7, *Statement of cash flows and* HKFRS 7*, Financial Instruments: Disclosures: Supplier finance arrangements*

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

2 Segment information

Business segments

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

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

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

- Intelligent operation and maintenance segment (sold in November 2023 and presented as discontinued operation) – provision of operation and maintenance, asset management, overhaul and commissioning service for wind and solar power plants;

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

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

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

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

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

Segment revenues and results, and segment assets and liabilities

	Continuing operations		Discontinued operation		
	Power generation	Others	Intelligent operation and maintenance	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the six months ended 30 June 2024 (Unaudited)					
Segment revenue					
Sales to external customers*	**1,364,318**	**388,939**	**-**	**-**	**1,753,257**
Inter-segment revenues	**-**	**189,027**	**-**	**(189,027)**	**-**
	1,364,318	**577,966**	**-**	**(189,027)**	**1,753,257**
Segment results	**812,081**	**(5,513)**	**-**	**-**	**806,568**
Unallocated other gains and losses, net					**(724)**
Unallocated income					**33,626**
Unallocated expenses					**(3,131)**
Interest revenue					**25,585**
Finance costs					**(340,563)**
Profit before income tax					**521,361**
Income tax expense					**26,097**
Profit for the period					**547,458**
As at 30 June 2024 (Unaudited)					
Segment assets	**29,432,413**	**2,415,573**	**-**	**-**	**31,847,986**
Unallocated assets					**514,647**
Total assets					**32,362,633**
Segment liabilities	**(21,870,851)**	**(1,262,387)**	**-**	**-**	**(23,133,238)**
Unallocated liabilities					**(454,174)**
Total liabilities					**(23,587,412)**

**Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB1,176,495,000 and RMB187,823,000, respectively.*

Segment revenues and results, and segment assets and liabilities (Restated)

	Continuing operations		Discontinued operation		
	Power generation	**Others**	**Intelligent operation and maintenance**	**Elimination**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
For the six months ended 30 June 2023 (Unaudited)					
Segment revenue					
Sales to external customers*	1,195,597	135,606	158,938	-	1,490,141
Inter-segment revenues	-	529,661	68,138	(597,799)	-
	1,195,597	665,267	227,076	(597,799)	1,490,141
Segment results	818,702	(10,094)	22,200	-	830,808
Unallocated other gains and losses, net					23,440
Unallocated income					15,451
Unallocated expenses					(1,545)
Interest revenue					10,866
Finance costs					(314,625)
Profit before income tax					564,395
Income tax expense					(44,801)
Profit for the period					519,594
At 31 December 2023 (Audited)					
Segment assets	28,500,683	2,474,293	-	-	30,974,976
Unallocated assets					261,392
Total assets					31,236,368
Segment liabilities	(21,309,871)	(1,295,574)	-	-	(22,605,445)
Unallocated liabilities					(195,509)
Total liabilities					(22,800,954)

**Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB1,011,545,000 and RMB184,052,000, respectively.*

3 Revenue

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

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Continuing operations		
Revenue from contracts with customers:		
Sales of electricity:		
Basic electricity price	**1,188,558**	995,319
Renewable energy subsidy	**146,391**	182,862
Green energy certificates	**19,716**	17,416
Sales of energy storage system equipment	**303,356**	-
Engineering, procurement and construction	**40,109**	103,608
Provision of design services	**14,099**	7,866
Provision of technical and consultancy services	**22,062**	6,914
Other revenue	**1,142**	-
	1,735,433	1,313,985
Finance lease income	**17,824**	17,218
Total revenue from continuing operations	**1,753,257**	1,331,203

4 Other income

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

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Continuing operations		
Interest income	**25,585**	10,805
Government grants:		
— Tax refunds	**17,366**	15,042
— Others	**1,461**	109
Grid access service income	**18,868**	-
Claim compensation	**3,822**	9,338
Guarantee income	**4,014**	3,177
Rental income	**2,766**	1,010
Others	**2,695**	796
	76,577	40,277

5 Other gains and losses, net

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

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Continuing operations		
Loss on disposal / de-registration of subsidiaries, net	**(33)**	(1,199)
Gain on disposal of an associate, net	**-**	62
Fair value gains on financial assets at fair value through profit or loss ("FVTPL")	**5,794**	13,023
Exchange (loss) / gain, net	**(4,061)**	11,535
(Loss) / gain on disposal of property, plant and equipment	**(93)**	2,576
Others	**(2,331)**	(1,423)
	(724)	24,574

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

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Continuing operations		
Impairment loss recognised on trade receivable	**-**	564
	-	564

7 Finance costs

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Continuing operations		
Interest expenses on:		
— Bank borrowings	**97,974**	55,636
— Other borrowings	**260,603**	265,986
— Senior notes	**-**	35,053
— Lease liabilities	**6,660**	4,797
	365,237	361,472
Less: Interest capitalised	**(24,674)**	(48,627)
	340,563	312,845

8 Income tax credit / (expenses)

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Continuing operations		
Current tax		
— People's Republic of China (the "PRC") corporate income tax	**(49,294)**	(40,634)
— PRC withholding tax	**36,018**	(22,060)
Under-provision in prior years		
— PRC corporate income tax	**(3,618)**	(2,572)
Deferred tax	**42,991**	21,084
	26,097	(44,182)

9 Results of discontinued operation

In November 2023, the Group disposed part of interest in Intelligent operation and maintenance business with cash consideration amounted RMB126,090,000 and ceased to consolidate Intelligent operation and maintenance business in the consolidated financial statements.

The results of discontinuing operation for the period ending on June 30, 2023 are as follows:

	For the six months ended 30 June 2023
	RMB'000
	(Unaudited)
Revenue	227,076
Elimination of inter-segment revenue	(68,138)
External revenue	158,938
Cost of sales and services rendered	(142,361)
Elimination of cost related to inter-segment sales	68,138
External cost of sales and services rendered	(74,223)
Gross profit	84,715
Other income	1,082
Other gains and losses, net	100
Impairment losses under expected credit loss model, net of reversal	(670)
Distribution and selling expenses	(11,672)
Administrative expenses	(51,289)
Finance costs	(1,780)
Share of profit of associates, net	(132)
Results from operating activities	20,354
Income tax expense	(619)
Results from operating activities, net of tax	19,735

Profit for the period from discontinued operation attributable to:	
Equity shareholders of the Company	11,372
Non-controlling interests	8,363
Profit for the period from discontinued operation	19,735
Earnings per share	
Basic earnings per share *(RMB cents)*	0.13
Diluted earnings per share *(RMB cents)*	0.13

10 Earnings per share

(a) Basic

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the period.

(i) Profit attributable to ordinary shareholders

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Profit attributable to ordinary shareholders		
Continuing operations	**501,370**	484,932
Discontinued operation	**-**	11,372
	501,370	496,304

(ii) Weighted-average number of ordinary shares

	Six months ended 30 June	
	2024	2023
	000'shares	*000'shares*
Issued ordinary shares at 1 January	**8,444,719**	8,975,469
Effect of treasury shares	**(412,745)**	(464,965)
Weighted-average number of ordinary shares at 30 June	**8,031,974**	8,510,504

(b) Diluted earnings per share

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

(i) Profit attributable to ordinary shareholders (diluted)

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Profit attributable to ordinary shareholders (diluted)		
Continuing operations	**501,370**	484,932
Discontinued operation	**-**	11,372
	501,370	496,304

(ii) Weighted-average number of ordinary shares (diluted)

	Six months ended 30 June	
	2024	2023
	000'shares	*000'shares*
Weighted-average number of ordinary shares	**8,031,974**	8,510,504
Effect of share award scheme	**15,426**	32,845
Weighted-average number of ordinary shares for the purpose of diluted earnings per share	**8,047,400**	8,543,349

11 Dividend

During the current interim period, a final dividend of HK$0.035 per ordinary share in respect of the year ended 31 December 2023 (the year ended 31 December 2022: HK$0.035) was declared to the owners of the Company. The aggregate amount of final dividend declared in the current interim period equivalent to approximately RMB258,890,000 (the corresponding period of 2023: RMB278,487,000). The dividend has been paid on 3 July, 2024 (2023: 18 July 2023).

The directors of the Company have determined that no dividend will be paid in respect of the interim period (the corresponding period of 2023: nil).

12 Contract Assets

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Retention money	**61,009**	77,009
Contract assets arising from performance under construction contracts	**39,709**	39,166
	100,718	116,175
Analysed for reporting purposes as:		
Current assets	**100,718**	116,175
	100,718	116,175

13 Trade and bills receivable

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivable, at amortised cost	**690,344**	419,792
Tariff adjustment receivable, at amortised cost	**1,157,192**	991,170
Bills receivable, at FVTPL	**53,927**	9,000
	1,901,463	1,419,962
Impairment loss on trade receivable	**(4,062)**	(4,062)
	1,897,401	1,415,900

As at 30 June 2024, the ageing analysis of the trade receivable, net of impairment loss on trade receivable, presented based on invoice date, is as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**565,758**	309,013
3 to 6 months	**31,285**	14,975
6 to 12 months	**19,264**	78,845
1 to 2 years	**66,258**	10,850
Over 2 years	**3,717**	2,047
	686,282	415,730

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

As at 30 June 2024, the ageing analysis of the tariff adjustment receivable, based on the revenue recognition date, is as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**75,304**	94,055
3 to 6 months	**90,118**	85,296
6 to 12 months	**179,351**	206,635
Over 1 year	**812,419**	605,184
	1,157,192	991,170

14 Trade and bills payable

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payable	**490,572**	389,768
Bills payable	**410,157**	1,282,520
	900,729	1,672,288

As at 30 June 2024, the ageing analysis of the trade payable, based on invoice date, is as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**305,096**	63,919
3 to 6 months	**11,119**	16,794
6 to 12 months	**72,253**	39,047
1 to 2 years	**44,155**	142,370
Over 2 years	**57,949**	127,638
	490,572	389,768

15 Share capital

Ordinary shares issued of HK$0.01 each:

	No. of shares	**Nominal value**
	000' shares	*RMB'000*
As at 1 January 2024 (Audited)	8,444,719	72,598
Cancellation of ordinary shares *(Note)*	**(340,140)**	**(3,089)**
As at 30 June 2024 (Unaudited)	**8,104,579**	**69,509**

Note:

During the period, the Group cancelled 340,140,000 shares, and cancelled during the period at a consideration of RMB200,692,000.

Treasury shares

As at 30 June 2024, 75,650,000 ordinary shares are held as treasury shares of the Company (31 December 2023: 420,750,000 shares).

MANAGEMENT DISCUSSION AND ANALYSIS

I. Business Environment

In the first half of 2024, the Group operated in a macroeconomic environment characterized by both favorable and unfavorable factors. Overall, the conditions remained positive for the industry development.

Despite various factors such as high international market interest rates and geopolitical tensions challenging global economic growth, the World Economic Situation and Prospects as of mid-2024 by the United Nations still predicts a 2.7% increase in global GDP for 2024.

With technological advances and declining equipment prices, the negative impact of high international financing rates on the economic viability of renewable power investments has eased. Consequently, global clean energy investment continues to rise. According to the International Energy Agency, global investment in clean energy technologies and infrastructure is projected to reach approximately USD 2 trillion in 2024.

In the first half of 2024, the Chinese government introduced new policies allowing areas with abundant resources to reduce their renewable energy utilization rate target to 90%, resulting in higher curtailment rates for wind and solar power in several provinces. Additionally, some provinces have cut the guaranteed utilization hours for renewable power plants.

Financing rates in China's market continue to trend downward. Current policies are favorable for supporting and expanding investments in power grids and renewable power plants, thereby promoting green consumption.

(1) Wind Power Technology Advances, Equipment Prices Favourable for Power Plant Investments

During this reporting period, the R&D of wind turbine continued upsizing trend. A 15MW onshore wind model has been introduced and is expected to be deployed within the year, while 18 MW offshore wind turbines have already begun grid-connected operations. Additionally, there is increasing attention on the high reliability and enhanced grid-forming capabilities of wind turbines.

The wind turbine prices in the international market saw a slight decline in compared to the peak in 2023. In the Chinese market, the continuous advancements in technology and the increase in turbine generator sizes have driven down the price per kilowatt of wind turbines. This positive trend enhances the attractiveness of wind power project investments by reducing risks.

(2) Active Technological Innovation in PV Modules, Declining Prices Drive Investment Demand

N-type solar photovoltaic modules, particularly TOPCon, are increasingly capturing market share due to their superior performance. Research and development in new technologies such as perovskite cells, back-contact (BC) cells, and tandem cells are progressing rapidly, consistently achieving breakthroughs in solar cell efficiency. Additionally, specialized solar modules tailored for extreme climatic conditions, such as coastal mudflats and desert regions, are expanding.

Amid the increased capacity of the solar PV supply chain, the prices of Chinese modules continue to decline, and global module prices are also at low levels. This benefits solar power plant investors by reducing their capex, thereby further stimulating market demand. Consequently, solar PV deployments have seen rapid year-over-year growth in major markets such as China, Europe, and the United States.

(3) New Energy Storage Develops Rapidly, New Policies Boost Green Hydrogen Industry

With policy support, cost reductions, and growing demand, novel energy storage technologies, especially battery storage, are rapidly advancing. Gigawatt-scale projects are emerging globally, enhancing grid flexibility and renewable energy integration. In the long-duration energy storage sector, technologies such as thermal energy storage, compressed air energy storage, and flow batteries are also developing significantly.

Globally, green hydrogen has become a new development hotspot. The European Hydrogen Bank is funding the first seven EU green hydrogen projects. The U.S. Department of Energy has updated its Hydrogen and Fuel Cell Multi-Year Program Plan. China’s "Energy Conservation and Carbon Reduction Action Plan (2024-2025)" supports green hydrogen innovation and promotes industry chain development. Green hydrogen is gaining attention in high-value applications like sustainable aviation fuel.

(4) Promoting Renewable Energy Integration by Accelerating Grid Construction and Encouraging Green Consumption

During this reporting period, the average utilization hours of wind power in mainland China were 1,134 hours, a decrease of 103 hours compared to last year. The average utilization hours of solar PV were 626 hours, a reduction of 32 hours. Curtailment rates for both wind and solar increased. The Chinese government has accelerated power grid construction to better integrate renewable energy, aligned green certificates and carbon reduction policies, and boosted green power consumption, with green power trading volume up over 300% year-on-year.

New favorable policies are emerging globally. The European Parliament passed the "EU Electricity Market Reform" bill, and the European Council approved the "Supergrid" proposal to enhance grid planning and construction coordination, and stimulate renewable energy investment. In the U.S., the Federal Energy Regulatory Commission (FERC) issued new "Transmission Planning and Cost Allocation Rules". These rules aim to improve grid planning capabilities, accelerate the integration of new renewable energy plants, and address challenges from extreme weather and rapid growing power demands such as artificial intelligence.

(5) Continued Decline in China's Financing Costs, Global Financing Environment Expected to Ease

In 2024, the People's Bank of China (PBOC) made two reductions to the Loan Prime Rate (LPR) for loans with terms of 5 years or longer, on February 20 and July 22, cumulatively lowering it by 35 basis points to 3.85%. This move benefits renewable power plant investors by decreasing financing costs. The market widely expects the PBOC to introduce further rate cuts and other measures to stabilize economic growth.

The International Monetary Fund indicated in its latest "World Economic Outlook" that central banks in major economies, including the United States and Europe, are expected to anticipated to begin reducing official policy interest rates in the second half of 2024.

II. Business Review

In the first half of 2024, the Group's attributable power generation achieved steady growth, and project development saw further successes. The scale of projects under construction kept high, business operations progressed smoothly, and the financing structure was continually optimized.

In the first half of 2024, the Group achieved continuing operations revenue of RMB 1,753,257,000 (1H2023: RMB 1,331,203,000 (restated)), representing an increase of 31.7% compared to the same period last year. The profit attributable to equity holders of the Group was RMB 501,370,000 (2023: RMB 496,304,000), an increase of 1.0% compared to the same period last year; basic earnings per share were RMB 6.24 cents (1H2023: RMB 5.83 cents), and diluted earnings per share were RMB 6.23 cents (1H2023: RMB 5.81 cents).

As of 30 June 2024, the Group's net asset value was RMB 8,775,221,000 (31 December 2023: RMB 8,435,414,000), with a net asset value per share of RMB 1.05 (31 December 2023: RMB 1.02).

As of 30 June 2024, the Group held cash and bank balance of approximately RMB 2,798,706,000 (31 December 2023: RMB 3,902,924,000). The Group's interest-bearing liabilities amounted to RMB 18,469,679,000 (31 December 2023: RMB 16,692,318,000). The debt-to-asset ratio was 72.88% (31 December 2023: 72.99%).

(1) Enhance Safety Production Measures, Prioritize Power Trading and Green Certificate Marketing

1. Power Generation Grows Despite Rising Wind and Solar Curtailment Rates

During the reporting period, the Group adhered to the safety management policy of “Safety First, Prevention Priority, and Comprehensive Management.” We improved the safety management system and strengthened the safety production responsibility system. Through initiatives like the Spring Safety Inspection, Safety Production Month, and safety emergency training, the Group ensured the safe and stable operation of power plants.

The Group's power plants maintained a safe and stable production environment, with zero incidents of personal injury or significant equipment accidents. This achievement ensured a reliable power supply and the safety of both personnel and property.

As of 30 June 2024, the Group's attributable installed capacity for grid-connected wind and solar PV power plants is 4,050 MW (30 June 2023: 3,640 MW). Among them, the attributable installed capacity for wind farms is 3,467 MW, and for solar PV power plants is 583 MW. The Group's attributable installed capacity of parity projects is 2,624 MW, accounting for 64.8% of the Group's total attributable installed capacity.

Attributable Installed Capacity (MW)

Business Segments	1H2024	1H2023	Change Rate
Wind	3,467	3,189	8.7%
Solar PV	583	451	29.3%
Total	4,050	3,640	11.3%

During the reporting period, the Group's attributable power generation experienced steady growth, increasing by 14.1% compared to the same period last year. Attributable wind power generation rose by 14.0%, while attributable solar PV power generation increased by 15.7% year-on-year.

Attributable Power Generation (GWh)

Business Segments	1H2024	1H2023	Change Rate
Wind	4,266	3,743	14.0%
Solar PV	472	408	15.7%
Total	4,738	4,151	14.1%

In the first half of 2024, despite adverse factors such as regional severe weather and intensified power curtailment affecting some power plants, the Group's wind power farms achieved a weighted average utilization of 1,220 hours, and the solar PV power plants achieved a weighted average utilization of 659 hours. Although these figures are lower than last year, they are still 7.6% and 5.3% above China's national average, respectively.

Weighted Average Utilization Hours (Hour)

	Power Plants invested by the Group			China's average	Greater than China's average
Business Segments	**1H2024**	**1H2023**	**Change Rate**	**1H2024**	**1H2024**
Wind	1,220	1,353	-9.8%	1134	+7.6%
Solar PV	659	731	-9.8%	626	+5.3%

In the first half of 2024, the Group's wind power farms experienced an average curtailment rate of 9.7%, while solar PV plants faced an average curtailment rate of 19.5%. Both rates went up from last year, primarily because the expansion of renewable energy installations has outpaced the optimization of power grid infrastructure and the growth in power demand in specific areas.

Curtailment Rate (%)

Business Segments	1H2024	1H2023	Change
Wind	9.7%	4.0%	+5.7pp
Solar PV	19.5%	6.3%	+13.2pp

2. Continuous Growth in Power Generation Revenue, Scaling up in Green Power Trading Volume and Green Certificate Sales

In the first half of 2024, the Group observed continued growth in revenue from wind and solar power generation. Increased solar curtailment resulted in a year-on-year decline in profits from subsidiary-owned and joint venture solar power plants. Despite this, the revenue and profits from the subsidiary-owned wind farms, which account for 86.2% of the total power generation revenue, achieved steady growth.

The Group's green power trading volume reached 400 million kWh, demonstrating a significant increase that contributed to revenue and profitability growth. Additionally, we continued to strengthen green certificate marketing efforts, signing new contracts for over 3.8 million green certificates, and increased green certificate revenue to RMB 19,716,000. Additionally, the Group expanded long-term green certificate sales agreements with key customers, making future revenue more predictable.

Revenue and Net Profit from Power Plants (RMB'000)

	1H2024	1H2023	Change Rate
Revenue from Subsidiary-owned Power Plants	1,364,318	1,195,597	14.1%
Including: Wind	1,176,495	1,011,545	16.3%
Solar PV	187,823	184,052	2.0%
Net Profit from Subsidiary-owned Power Plants	490,557	489,433	0.2%
Including: Wind	461,244	437,959	5.3%
Solar PV	29,313	51,474	-43.1%
Net Profit from Jointly-owned Power Plants	94,978	143,920	-34.0%
Including: Wind	92,410	141,193	-34.6%
Solar PV	2,568	2,727	-5.8%

3. Minor Drop in Average Comprehensive Electricity Price

Due to the increase in the proportion of grid parity projects and the impact of power trading, the average comprehensive electricity price of the Group's invested power plants saw a minor drop. However, green power trading and certificate sales provided certain environmental benefits. The decline in electricity prices is an inevitable part of the industry context. Nevertheless, with the reduction in construction costs and the continuous quality optimization of the Group's existing power plants, the levelized cost of electricity for the Group's projects will keep dropping. This will effectively offset the impact of the declining electricity price, ensuring the Group's sustainable growth.

Average Comprehensive Electricity Price (RMB/kWh) (Including VAT)

Business Segments	1H2024	1H2023	Change
Wind	0.3838	0.4054	-0.0216
Solar PV	0.4714	0.5362	-0.0648

(2) Maintain Project Development Advantages, Prioritize Reducing Project Construction Costs

1. Focusing on Promising Market Areas, Consistently Securing Investment Projects

Guided by its development strategy, the Group dynamically assesses market changes, makes proactive decisions on what to pursue and what to avoid, and tailors its approach to local conditions. By focusing on and deeply cultivating projects in promising areas, the Group continuously enhances the quality and scale of its wind and solar PV project pipeline.

During the reporting period, the Group secured new investment projects (approved as provincial government's annual construction plans) totaling 720 MW within China. Additionally, the Group obtained approvals/registrations for wind and solar power projects with a combined capacity of 1,250 MW. Newly signed wind power resources amounted to 1,915 MW. As of the end of June 2024, the Group had signed contracts for a total of 17.4 GW of wind and solar resource reserves to be developed, including approximately 10.7 GW of wind power and 6.7 GW of solar power.

The Group strategically positions itself in key global markets, enhancing its capability to independently develop international projects. By carefully selecting promising renewable energy projects, the Group is steadily expanding its presence in the international market.

2. Prioritize Optimization and Cost Reduction in Project Construction

During the first half of 2024, the Group's total scale of projects under construction reached 2,513 MW. No new projects were commissioned during this period.

In response to adverse factors such as delays in grid connection issues and approval procedures for forest and land use for certain projects, the Group has proactively addressed these challenges. By identifying key issues and seeking breakthrough opportunities, the Group has diligently advanced project construction preparations. Through early commencement of construction, reasonable planning, deep optimization, and the timely adoption of new equipment, technologies, and processes, the Group has successfully reduced project construction costs. These efforts have mitigated the negative impacts of other factors. Consequently, the capital expenditure per kW of the Group's wind and solar power projects continues to decrease, thereby enhancing project returns.

(3) Strengthen Management to Reduce Costs, Optimize Project Investment for Better Returns

Facing intense competition, the Group deeply understands that refining and improving internal management is vital to staying competitive in the market. During this reporting period, the Group comprehensively strengthened its management practices and reduced costs through various means to boost overall efficiency.

1. Strengthen Management to Reduce Administrative Expenses

The Group reduced administrative expenses by enhancing budget management, refining expense analysis, and strictly controlling costs. By enhancing the cost awareness of all employees, and focusing on human efficiency, overall productivity has improved. Through various measures, we have effectively curbed the growth of administrative expenses, resulting in a year-on-year drop in the first half of the year.

2. Proactively Adjust Business Strategies

In this reporting period, in response to changes in both internal and external environments, the Group conducted a careful review of its development strategies based on the varying renewable energy resources, development costs, and electricity price policies across different regions. As a result, it ceased project development in certain provinces, streamlined its organizational structure and personnel, focusing the Group’s resources on regions with more advantages.

For projects that have completed the development phase, the Group continuously reviews and dynamically evaluates them based on factors such as regional renewable utilization rate, grid construction status, and electricity price changes. Low-return projects are promptly discontinued, with fund resources reallocated to high-return projects to ensure alignment with the Group's profitability criteria.

The Group also implemented adjustments to its non-power generation businesses, optimized personnel, cut administrative expenses, and improved operational efficiency.

3. Continuously Reducing Financing Costs.

The Group designs and selects the most cost-competitive financing and investment schemes based on financing policies, new projects' characteristics, and its financing needs. By refinancing, the Group continuously reduces the financing costs of existing projects, thereby enhancing asset efficiency. During this reporting period, the average financing cost of new withdrawals by the Group has decreased to 3.46%.

(4) Design, Consulting and Other Service Businesses

During this reporting period, the Group's design sector enhanced its core capabilities and expanded its external business, steadily increasing its strength and operational scale. Beyond supporting the Group's own project development, power plant engineering design, and technical optimization, the design sector explored external markets and undertook several EPC projects in distributed wind and solar power.

The Group's leasing business primarily focuses on financing lease assets for stable-income distributed solar PV and wind power plants. The existing assets are of good quality, with normal principal and interest repayments. Refinancing efforts have been successful through bank factoring and credit facilities.

The Group's energy storage business focuses on R&D for control systems and DC Pack integration. To meet the construction needs of the new power system, the sector engages in product R&D and certification, while enhancing its capabilities in design, manufacturing, supply chain management, and project delivery. It also actively explores both within-group and external markets.

III. Environmental and Social Responsibility

Beyond financial performance, the Group is committed to balancing environmental, social, and economic impacts. It has fully integrated Environmental, Social, and Governance (ESG) strategies into its operations to foster harmonious development between human and nature.

During the reporting period, the Group was featured in the S&P Global "Sustainability Yearbook (China) 2024" and received two special recognitions: "Top 10% S&P Global CSA Score (China)-Electric Utilities" and "Industry Mover".

The Group continues to develop and operate wind and solar PV power plant, actively participates in green electricity trading, and sells green certificates. These initiatives ensure a stable supply of clean renewable energy to the society, significantly save the consumption of standard coal and water resources, and reduce emissions of greenhouse gases and air pollutants.

Emission Reduction from Power Plants

Emission Reduction Indicators	1H2024	Accumulated Amount
CO_2 (Kilotons)	3,400	58,860
SO_2 (Tons)	1,144	30,793
NO_x (Tons)	1,192	28,674
Standard Coal Saving (Kilotons)	1,874	22,647
Water Saving (Kilotons)	7,402	120,017

The Group has established a "people-oriented" corporate culture, providing a respectful, equal, diverse, and inclusive work environment. It prioritizes the health, safety, and legal rights of its employees. The Group has upgraded its training framework, systematically conducting various leadership training programs, focusing on enhancing professional skills and developing high-quality talent through university-enterprise collaboration.

IV. Outlook

Looking ahead to the second half of the year, with continuous breakthroughs in the upsizing and intelligence of wind turbines, ongoing improvements in the conversion efficiency of solar PV modules, the development of new solar-to-power technologies, and the emergence of new energy storage technologies suitable for the new power system, technological advancements in the renewable energy sector are further accelerating. Technological innovation will keep driving the global energy transition.

Meanwhile, the United States is expected to gradually enter a rate-cutting cycle, and a further decline in China's reserve requirements ratio and financing rates is anticipated. This will lower financing costs for renewable energy power plants, driving continued investment growth in renewable energy projects.

The Group will steadfastly adhere to its established development strategy direction, accurately identify and capitalize on new industry trends, keep pace with changes, focus on strengths, and prioritize the following tasks:

1. Ensure Safe and Efficient Production, Improve Power Trade for Higher Profits

The Group will continue to rigorously enforce safety production of power plants, thoroughly investigate potential safety hazards, and proactively take measures to address challenges posed by unexpected faults and adverse weather conditions to ensure safe and efficient production. By enhancing cost-saving awareness among all employees, we strive to reduce costs and improve efficiency at every stage of production, thereby increasing power generation returns. By focusing on key projects and difficult issues, we will conduct in-depth analyses, apply new technologies, and strengthen equipment management to reduce power loss and improve equipment integrity.

Timely and accurately identify the changes and trends of power market reforms in various regions. Carefully organize power trade marketing efforts, focusing on timely adjustments and optimization of medium-term and long-term power trading strategies as well as spot market trading strategies. Increase the volume of green electricity trading and inter-provincial trading, strengthen the marketing of green certificate sales, and employ various measures to fully unlock potential for higher power plant profitability.

2. Enforce Rigorous Criteria of Investment and Construction, Strengthen Project Resilience to Risks

The Group will closely monitor fluctuations in regional renewable energy utilization rates, electricity price trends, and changes in project costs, conducting research and assessing the impact of power market reforms on project returns. We will continuously and dynamically calculate project returns to fully reflect changing circumstances, and accordingly, adjust project development strategies and implementation timelines in a timely manner, ensuring prudent selection of specific projects.

We will further refine design, procurement, and construction plans, optimizing and pacing investments according to the updated industry context. We will enforce rigorous criteria for investment decisions at multiple stages to enhance the projects' risk resilience.

3. Meticulously Prepare for Pre-Construction, Deeply Optimize Design and Construction

The Group will carefully coordinate all construction phases, ensure thorough pre-construction preparations, and persistently address bottlenecks such as grid connection approvals, land use permits, and environmental plan approvals to start projects. We will strengthen project management, optimize design and construction plans, and cut costs to improve profitability. We will stick to safety standards, maintain high-quality construction, and control costs and schedules to ensure the steady and sustainable growth of the Group's installed capacity.

4. Actively Promote International Projects

Actively seek overseas development opportunities, refine the international market layout, strengthen localized team building, deeply cultivate key promising markets, explore various investment and financing models in international markets, and actively promote high-quality renewable energy projects in the international markets.

5. Strengthen Market Research, Dedicate Efforts to Optimize Asset

Continuously monitor policy changes in key global markets, keenly identify the rapid shifts in policies and the power supply-demand dynamics in key provinces of China, enhance the foresight of asset valuation research, and execute asset assessment and optimization with greater precision and effectiveness.

6. Enhance Awareness of Operational Excellence, Implement Various Measures to Reduce Costs and Improve Efficiency

The Group will enhance awareness of operational excellence among all staff, strengthen cost control, and implement cost-saving and efficiency improvement measures across all segments. By adhering to the "Lowest LCOE" concept, we aim to boost operational efficiency and core competitiveness through performance management. We will fully leverage favorable financing policies to strictly control financing costs, and refinance funded projects employing various strategies to reduce financing costs.

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

During the six months ended 30 June 2024, the Company repurchased a total of 15,940,000 ordinary shares of the Company for an aggregate consideration of HK$9,710,000 on The Stock Exchange of Hong Kong Limited, all of the purchased shares were cancelled by the Company and the issued share capital of the Company was reduced thereon. Details of the share repurchases during the period are as follows:

	Share Repurchased	**Purchase Price per Share**		
Month	**Number**	**Highest** HK$	**Lowest** HK$	**Aggregate Amount** HK$
April 2024	14,830,000	0.64	0.60	9,044,000
May 2024	1,110,000	0.60	0.60	666,000
	15,940,000			**9,710,000**

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

CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2024, the Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the provisions of the Corporate Governance Code (the "**CG Code**") from time to time, as set out in Appendix C1 to the Listing Rules.

All other information on the CG Code of the Company has been disclosed in the Corporate Governance Report contained in the 2023 annual report of the Company issued in April 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") set out in Appendix C3 to the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2024.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company, Ms. Huang Jian, Ms. Li Yongli and Mr. Zhang Zhong. Ms. Huang Jian is the chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the CG Code. The Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2024 have been reviewed by the Audit Committee.

For and on behalf of

Concord New Energy Group Limited

Chairman

Liu Shunxing

Hong Kong, 23 August 2024

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