



江山控股
KongSun Holdings

Kong Sun Holdings Limited

Stock Code : 295



INTERIM
REPORT
2022

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Jin Yanbing (*Chairman*)
Mr. Qin Hongfu

NON-EXECUTIVE DIRECTOR

Mr. Jiang Hengwen

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lang Wangkai
Ms. Wu Wennan
Mr. Xu Xiang

AUDIT COMMITTEE

Ms. Wu Wennan (*Chairman*)
Mr. Lang Wangkai
Mr. Xu Xiang

NOMINATION COMMITTEE

Mr. Lang Wangkai (*Chairman*)
Mr. Jin Yanbing
Ms. Wu Wennan
Mr. Xu Xiang

REMUNERATION COMMITTEE

Mr. Xu Xiang (*Chairman*)
Mr. Jin Yanbing
Mr. Lang Wangkai
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. Jin Yanbing
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 of directors (the "Board"), I hereby present the interim results of Kong Sun Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2022.

In the first half of 2022, under the guidance of the goal of "peaked carbon and carbon neutrality", governments at all levels in China continued to strengthen policy support for the development of solar power industry. Nine departments including the National Development and Reform Commission jointly issued the "Plan for Renewable Energy Development for the 14th Five-Year", setting a target that by 2025, the total consumption of renewable energy will account for approximately 18% of primary energy consumption, the annual power generation of renewable energy will reach approximately 3.3 trillion kilowatt-hour ("kWh"), and the power generation of wind power and solar power will double. The National Development and Reform Commission and the National Energy Administration issued the Opinions on Improving the System, Mechanism and Policy Measures for the Green Energy and Low-Carbon Transformation, which proposed to promote the construction of an energy supply system with clean and low-carbon energy as the main body, and accelerate the construction of large-scale wind power and photovoltaic power bases with focus on desert and Gobi areas.

In the first half of 2022, the Group continued to adopt a steady and pragmatic business strategy in endeavouring to improve the efficiency of the power stations, actively adjusting its asset structure, and focusing on exploring business transformation, to effectively lower its gearing ratio and operating expenses. The Group has 14 grid-connected solar power plants in Shaanxi, Anhui, Zhejiang, Hebei, Inner Mongolia, Hubei and Shanxi in China. As at 30 June 2022, the Group had a total installed capacity of 389.8 megawatt ("MW"), and a total annual power generation capacity of approximately 288,885 megawatt-hour ("MWh") in the first half of 2022. Meanwhile, the Group actively expanded its solar power generation and wind power operation and maintenance services business, and continued to develop its technology finance business such as Internet micro-lending, while persisted to explore other investment opportunities in the clean energy industry. In the first half of 2022, the Group recorded a revenue of approximately RMB285,000,000 and gross profit of approximately RMB131,000,000. As at 30 June 2022, the Group's total liabilities amounted to approximately RMB2,950,000,000, representing a decrease of approximately RMB1,523,000,000 as compared to that of 31 December 2021.



CHAIRMAN'S STATEMENT *(continued)*

In the future, with focuses on clean energy business, the Group will continue to optimise the structure of its solar power generation assets, enhance the efficiency of its equipment in the power plants, and accelerate its pace in shifting to new businesses. We will enhance our business efficiency through industrial and financial capital integration, and promote the development of green and low-carbon energy in China so as to contribute to environmental protection.

Last but not least, I would like to take this opportunity to express my sincere gratitude to our shareholders, customers and suppliers for their continuous support and trust. I would also like to thank our directors, management team and all staff for their contribution to the Group. The Group will continue to expand its business with a view to maximising overall return for its shareholders.

Jin Yanbing

Chairman

Hong Kong, 26 August 2022



FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	284,980	563,676
Gross profit	130,556	345,353
Loss for the period	(89,465)	(153,298)
Loss per share attributable to owners of the Company for the period		
– Basic (RMB cents)	(0.61)	(1.02)
– Diluted (RMB cents)	(0.61)	(1.02)
	At	At
	30 June	31 December
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Total non-current assets	3,361,250	4,434,472
Total current assets	3,230,937	3,800,398
Total assets	6,592,187	8,234,870
Total non-current liabilities	1,364,151	1,912,324
Total current liabilities	1,585,523	2,561,028
Total liabilities	2,949,674	4,473,352
NET ASSETS	3,642,513	3,761,518

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, trading of liquefied natural gas (“LNG”) and asset management.

SOLAR POWER PLANTS BUSINESS

During the six months ended 30 June 2022, 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 2022, the Group had a total of 389.8 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
Hebei	1	30.0 MW
Anhui	5	140.0 MW
Zhejiang	1	19.8 MW
Hubei	1	30.0 MW
Total	14	389.8 MW



MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

PROVISION OF FINANCIAL SERVICES

The revenue arising from the provision of financial services increased by approximately 65.8% from approximately RMB10,501,000 for the six months ended 30 June 2021 to approximately RMB17,406,000 for the six months ended 30 June 2022.

RESULTS OF OPERATIONS

Revenue

The revenue of the Group decreased by approximately 49.4% from approximately RMB563,676,000 for the six months ended 30 June 2021 to approximately RMB284,980,000 for the six months ended 30 June 2022. 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 59.5% from approximately RMB532,676,000 for the six months ended 30 June 2021 to approximately RMB215,861,000 for the six months ended 30 June 2022. As at 30 June 2022, the Group had a total of 389.8 MW (31 December 2021: 529.8 MW) installed capacity of solar power plants. The solar power plants owned by the Group have generated electricity in an aggregate volume of approximately 288,885 MWh for the six months ended 30 June 2022, representing a decrease of approximately 59.8% as compared to approximately 718,774 MWh for the six months ended 30 June 2021.

The Group's revenue from provision of solar power plant operation and maintenance services increased by approximately 152.3% from approximately RMB20,499,000 for the six months ended 30 June 2021 to approximately RMB51,713,000 for the six months ended 30 June 2022.

Revenue from Provision of Financial Services

The Group's revenue arising from the provision of financial services increased by approximately 65.8% from approximately RMB10,501,000 for the six months ended 30 June 2021 to approximately RMB17,406,000 for the six months ended 30 June 2022.



MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Gross Profit and Gross Profit Margin

The gross profit of the Group decreased by approximately 62.2% from approximately RMB345,353,000 for the six months ended 30 June 2021 to approximately RMB130,556,000 for the six months ended 30 June 2022. The gross profit margin of the Group decreased from approximately 61.3% for the six months ended 30 June 2021 to approximately 45.8% for the six months ended 30 June 2022 mainly due to the disposal of subsidiaries which had a higher gross profit margin than that of the Group during the period.

Other Gains and Losses

The other gains and losses of the Group decreased by approximately 83.0% from approximately RMB10,675,000 for the six months ended 30 June 2021 to approximately RMB1,817,000 for the six months ended 30 June 2022. The decrease was mainly due to the increase in solar power plant rectification expenses of approximately RMB10,808,000, offset by the increase in net foreign exchange gain of approximately RMB6,507,000.

Administrative Expenses

Administrative expenses of the Group decreased by approximately 15.2% from approximately RMB104,217,000 for the six months ended 30 June 2021 to approximately RMB88,384,000 for the six months ended 30 June 2022. The decrease was mainly attributable to the decrease in overall administrative expense of the Group during the six months ended 30 June 2022.

Loss on Disposal of Subsidiaries, Net

During the six months ended 30 June 2022, the Group disposed of three (six months ended 30 June 2021: three) subsidiaries, and recorded net loss on such disposals of approximately RMB3,736,000 (six months ended 30 June 2021: RMB49,058,000). 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 (six months ended 30 June 2021: RMB2,692,000) for reasons 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.

On 22 October 2020, the Group entered into sale and purchase agreement with an independent third party to dispose of the entire equity interests in 平山縣天匯能源科技有限公司 (Pingshan Tianhui Energy Technology Co., Ltd.*) (“Tianhui”) for an equity consideration of approximately RMB34,229,000.

An impairment loss of approximately RMB2,692,000, representing the difference between the net asset value of Tianhui as at 31 December 2020 and 30 June 2021, was charged to profit or loss during the six months ended 30 June 2021.

Impairment loss on trade and other receivables, net

During the six months ended 30 June 2022, impairment loss regarding certain trade and other receivables, net amounting to approximately RMB10,084,000 (six months ended 30 June 2021: RMB62,783,000) was recorded based on the lifetime expected credit losses (six months ended 30 June 2021: not being able to recover certain other receivables related to rectification work of solar power plants).

Finance Costs

Finance costs of the Group decreased by approximately 63.3% from approximately RMB290,843,000 for the six months ended 30 June 2021 to approximately RMB106,852,000 for the six months ended 30 June 2022. As the Group’s 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 2022, the Group had a net carrying value of approximately RMB2,078,712,000 (31 December 2021: RMB2,844,751,000) and approximately RMB7,192,000 (31 December 2021: RMB6,904,000) 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 2022, the Group successfully completed the disposals of solar power plants of three (six months ended 30 June 2021: three) subsidiaries with total installed capacity of 140 MW (six months ended 30 June 2021: 340 MW). As at 30 June 2022, the Group had a total of 389.8 MW (31 December 2021: 529.8 MW) installed capacity of completed solar power plants.

Interest in associates

As at 30 June 2022, the net carrying amount of associates was approximately RMB171,279,000 (31 December 2021: RMB172,237,000).

Goodwill

As at 30 June 2022, the Group had a total amount of approximately RMB547,000 (31 December 2021: RMB547,000) in respect of goodwill on the previous acquisitions of subsidiaries.

Right-of-use Assets

As at 30 June 2022, the right-of-use assets amounted to approximately RMB177,513,000 (31 December 2021: RMB191,566,000). The decrease was mainly contributed by the amortization during the period.



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 24.3% from approximately RMB1,186,361,000 as at 31 December 2021 to approximately RMB897,689,000 as at 30 June 2022. The decrease was due to (i) the return of capital from 蘇州君盛晶石股權投資合夥企業(有限合夥)(Suzhou Junsheng Jingshi Equity Investment Partnership (Limited Partnership)*) and 嘉興盛世神州永贏投資合夥企業(有限合夥)(Jiaying Shengshi Shenzhou Yongying Investment Partnership (Limited Partnership)*) of approximately RMB92,500,000 and RMB180,000,000, respectively; and (ii) the fair value loss of approximately RMB16,190,000. 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.

Trade and Other Receivables

Trade and other receivables increased by approximately 3.2% from approximately RMB2,626,491,000 as at 31 December 2021 to approximately RMB2,709,778,000 as at 30 June 2022.

Trade and Other Payables

Trade and other payables decreased by approximately 31.1% from approximately RMB506,230,000 as at 31 December 2021 to approximately RMB348,648,000 as at 30 June 2022. The decrease was mainly due to disposals of subsidiaries during the period.

Lease Liabilities

As at 30 June 2022, the lease liabilities amounted to approximately RMB140,976,000 (31 December 2021: RMB145,238,000).



MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Liquidity and Capital Resources

As at 30 June 2022, cash and cash equivalents of the Group was approximately RMB209,380,000 (31 December 2021: RMB699,574,000), which included an amount of bank balances of approximately RMB199,455,000 (31 December 2021: RMB689,139,000) 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 2022, the Group's net debt 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 0.61 (31 December 2021: 0.79).

Capital Expenditure

During the six months ended 30 June 2022, the Group's total expenditure in respect of property, plant and equipment and solar power plants amounted to approximately RMB206,000 (six months ended 30 June 2021: RMB429,000) and approximately RMB1,658,000 (six months ended 30 June 2021: RMB4,616,000), respectively.

Loans and Borrowings

As at 30 June 2022, the Group's total loans and borrowings was approximately RMB2,404,001,000, representing a decrease of approximately 33.0% as compared to approximately RMB3,587,727,000 as at 31 December 2021. 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 2022, loans and borrowings of approximately RMB982,500,000 (31 December 2021: RMB2,551,446,000) and approximately RMB1,421,501,000 (31 December 2021: RMB1,036,281,000) bear fixed interest rate and floating interest rate, respectively.

As at 30 June 2022, out of the total borrowings, approximately RMB1,166,004,000 (31 December 2021: RMB1,812,740,000) was repayable within one year and approximately RMB1,237,997,000 (31 December 2021: RMB1,774,987,000) 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 2022, corporate bonds denominated in Hong Kong dollar with an aggregate principal amount of HK\$29,500,000 (equivalent to approximately RMB25,228,000) (31 December 2021: HK\$102,000,000 (equivalent to approximately RMB83,395,000)) remained outstanding with certain independent third parties. The corporate bonds bear interest rates ranging from 3% to 7% (31 December 2021: 3% to 7%) per annum, and will mature on the date immediately following 3 to 96 months (31 December 2021: 3 to 96 months) after their issuance.

During the six months ended 30 June 2022 and 2021, 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) (six months ended 30 June 2021: HK\$27,500,000 (equivalent to approximately RMB22,882,000)) in aggregate principal amount of the corporate bonds.

The corporate bonds are measured at amortised cost using effective interest method by applying an effective interest rate ranging from 10.40% to 14.56% (six months ended 30 June 2021: 10.40% to 14.56%) per annum. Imputed interest of approximately HK\$2,021,000 (equivalent to approximately RMB1,674,000) (six months ended 30 June 2021: HK\$15,921,000 (equivalent to approximately RMB13,275,000)) (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 2022.

Foreign Exchange Rate Risk

The Group primarily operates its business in the PRC and during the six months ended 30 June 2022, the Group’s revenue were primarily denominated in RMB, being the functional currency of the Group’s major operating subsidiaries. Accordingly, 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 2022, the Group had charged solar power plants, trade receivables and unlisted equity investments with net book value of approximately RMB970,869,000 (31 December 2021: RMB2,054,066,000), approximately RMB763,566,000 (31 December 2021: RMB923,394,000) and approximately RMB277,510,000 (31 December 2021: RMB281,365,000), 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 2022, 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.

As at 30 June 2022, the Group had executed a guarantee with respect to a loan of approximately RMB42,960,000 granted by independent third parties to 濟源大峪江山光伏發電有限公司 (Jiyuan Dayu Jiangshan Photovoltaic Power Generation Limited*), an indirect wholly-owned subsidiary of the Company before its disposal on 27 June 2022.



MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Contingent Liabilities (continued)

As at 30 June 2022, the Group had executed a guarantee with respect to a loan of approximately RMB321,790,000 granted by independent third parties to 寶豐縣鑫泰光伏電力科技開發有限公司 (Baofeng Xintai Photovoltaic Power Technology Development Limited*), an indirect wholly-owned subsidiary of the Company before its disposal on 30 June 2022.

For details of the above guarantees (including their termination arrangements), please refer to the circular of the Company dated 19 May 2022.

As at 31 December 2021, the Group had executed guarantee with respect to a loan of approximately RMB82,601,000 granted by independent third parties to 甘肅宏遠光電有限責任公司 (Gansu Hongyuan Photovoltaic Limited*), an indirect wholly-owned subsidiary of the Company before its disposal on 22 September 2021. For details of this guarantee (including its termination arrangement), please refer to the circular of the Company dated 30 August 2021.

As at 31 December 2021, the Group had executed guarantee with respect to a loan of approximately RMB54,092,000 granted by independent third parties to 庫車天華新能源電力有限公司 (Kuche Tianhua New Energy Electric Power Limited*) an indirect wholly-owned subsidiary of the Company before its disposal on 21 December 2021.

As at 31 December 2021, the Group had executed guarantee with respect to a loan of approximately RMB54,092,000 granted by independent third parties to 烏什縣華陽偉業太陽能科技有限公司 (Wushi Huayangweiye Solar Technology Limited*), an indirect wholly-owned subsidiary of the Company before its disposal on 22 December 2021.

For details of the above guarantees (including their termination arrangements), please refer to the announcement of the Company dated 2 November 2021.

Save as disclosed above, during the six months ended 30 June 2022, 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 2022, the Group had approximately 916 employees (31 December 2021: 837) 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 2022, the total employee benefit expenses (including directors' emoluments) were approximately RMB83,022,000 (six months ended 30 June 2021: RMB65,728,000). 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.

The Company has also adopted a share option scheme on 22 July 2009 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Share Option Scheme expired on 21 July 2019 and no further options could thereafter be granted. As at 30 June 2022, all outstanding options had lapsed.

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 2022, 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

In the first half of 2022, the drastic changes in European geopolitics have had some negative impact on the world's efforts to achieve the goal of "peaked carbon and carbon neutrality", and at the same time increased the urgent demand for the power generation of renewable energy in Europe. It is believed that the global industry of solar power generation will maintain a trend of strong development.

In the first half of 2022, with the support of comprehensive policies of governments at all levels in China, China's clean energy industry had continued to develop steadily. The supply chain prices of solar power industry remained high, as the installed capacity expanded steadily. According to the data released by the National Energy Administration, in the first half of 2022, China's newly installed capacity of solar power generation was 30.88 million KW, with an accumulated installed capacity of 336 million KW. The national solar power generation was 205 billion kWh, representing a year-on-year increase of 30%. The continuous growth of the installed capacity of renewable energy also provides favourable development opportunities for the operation and maintenance services business of renewable energy plants.

Looking forward, grasping the historic opportunities in the clean energy industry, the Group will continue to promote the strategies on the operation of solar power plants, optimise the efficiency of asset allocation, safeguard the Group's cash flow, and step up to improve the efficiency of the equipment at the power stations. The Group will also continue to promote the development of green finance and inclusive finance, and endeavour to further explore other investment opportunities in the clean energy industry, so as to maximise the returns of the assets and value for the shareholders.



DISCLOSURE OF OTHER INFORMATION

SHARE OPTION SCHEME

Pursuant to a resolution of the Company passed on 22 July 2009, the Company adopted the Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Share Option Scheme expired on 21 July 2019 and no further options could thereafter be granted. Notwithstanding the expiry of the Share Option Scheme, the share options which had been granted during the life of the scheme shall continue to be valid and exercisable in accordance with their terms of issue and in all other respects its provisions shall remain in full force and effect. Eligible participants of the Share Option Scheme include employees or directors of the Company or the Group's holding companies or subsidiaries, advisers, consultants, agents, contractors, customers, suppliers or any entities in which the Group or its holding companies or subsidiaries holds any equity interest who has contribution to the Group.

Details and the major terms of the Share Option Scheme are as follows:

(i) Purpose

The purpose of the Share Option Scheme is to enable the Company to grant options to the participants in recognition of their contribution to the Group.

(ii) Participants

The Directors may offer to grant an option to any employee or director of the Company or the Group's holding companies or subsidiaries, adviser, consultant, agent, contractor, customer, supplier or any entity in which the Group or its holding companies or subsidiaries holds any equity interest who has contribution to the Group.



DISCLOSURE OF OTHER INFORMATION *(continued)*

SHARE OPTION SCHEME *(continued)*

(iii) Terms of options

The share options granted under the Share Option Scheme are subject to such terms and conditions as may be determined by the Directors at their absolute discretion and specified in the offer of a share option, which terms and conditions may include (a) vesting conditions which must be satisfied before a share option holder's share option shall become vested and capable of being exercised; and (b) the Directors may, in its absolute discretion, specify performance conditions that must be achieved before a share option can be exercised and/or the minimum period for which a share option must be held before it can be exercised.

(iv) Option price

The option price will be determined by the Directors at their absolute discretion and notified to an option-holder. The minimum option price shall not be less than the highest of (a) the closing price of the shares of the Company as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of offer of an option; (b) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of offer of an option; and (c) the nominal value of the shares of the Company, if applicable.



DISCLOSURE OF OTHER INFORMATION *(continued)*

SHARE OPTION SCHEME *(continued)*

(v) Maximum number of shares

(1) 10% Limit

- (a) The total numbers of shares which may be issued upon exercise of all options to be granted must not in aggregate exceed 10% of the aggregate of the shares of the Company in issue as at the date of adoption of the Share Option Scheme (i.e. 176,266,251 shares). Options lapsed in accordance with the terms of the Share Option Scheme and any other scheme will not be counted for the purpose of calculating the 10% limit in this paragraph.
- (b) With the approval of the shareholders of the Company in a general meeting, the Directors may “refresh” the 10% limit under paragraph (a) (and may further refresh such limit in accordance with this paragraph) provided that the total number of shares of the Company which may be issued upon the exercise of all options to be granted under the limit as “refreshed” shall not exceed 10% of the shares in issue as at the date on which the shareholders approve the “refreshed” limit.

At the annual general meeting of the Company held on 11 April 2017, the scheme limit was refreshed pursuant to which Directors are authorised to grant options to eligible participants under the Share Option Scheme to subscribe for a maximum of 1,496,444,251 shares, being 10% of the shares in issue as at the date of the annual general meeting of the Company (i.e. 11 April 2017).

Options previously granted (including those outstanding, cancelled and lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”.



DISCLOSURE OF OTHER INFORMATION *(continued)*

SHARE OPTION SCHEME *(continued)*

(v) Maximum number of shares *(continued)*

(1) *10% Limit (continued)*

- (c) Subject to the limits as stated elsewhere, the Directors may, with the approval of the shareholders, grant options in excess of the 10% limit to participants specifically identified before shareholders' approval is sought. In such situation, the Company will send a circular to the shareholders of the Company containing a generic description of the specified participants who may be granted such options, the number and terms of such options to be granted and the purpose of granting such options to the specified participants with an explanation of how the terms of the options will serve the purpose.

(2) *30% Limit*

The total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme shall not exceed 30% of the shares of the Company in issue from time to time. No options may be granted under the Share Option Scheme if this will result in the limit being exceeded.

Following the expiry of the Share Option Scheme, no further share options could be granted thereunder. As at 30 June 2022, all outstanding options had lapsed.



DISCLOSURE OF OTHER INFORMATION *(continued)*

SHARE OPTION SCHEME *(continued)*

(vi) Maximum entitlement of each participant

Subject to other limits as otherwise stated, the Directors shall not grant any options to any participant which, if exercised, would result in such participant becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued or to be issued to him under all options granted to him (including those options exercised or outstanding) in any 12-month period exceed 1% of the shares of the Company in issue at such date. The Directors may grant options to any participant in excess of the individual limit of 1% in any 12-month period with the approval of the shareholders of the Company in general meeting with such participant and his/her associates abstaining from voting. A participant shall pay the Company HK\$1.00 for the grant of an option on acceptance of an offer within 21 days after the date of offer.

(vii) Time of exercise of options

An option under the Share Option Scheme which is vested and has not lapsed may be exercised at any time during such period notified by the Directors as not exceeding 10 years from the date on which a participant is offered such option. The exercise of options may also be subject to any conditions imposed by the Directors at the time of offer.

(viii) Term of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption of the Share Option Scheme (i.e. 21 July 2019), after which period no further options may be granted under the Share Option Scheme. The Directors may terminate the Share Option Scheme at any time and in such event no further options shall be granted under the Share Option Scheme but any options which have been granted but not yet exercised shall continue to be valid and exercisable.

The Share Option Scheme expired on 21 July 2019 and no further options could thereafter be granted. Notwithstanding the expiry of the Share Option Scheme, the share options which had been granted during the life of the scheme shall continue to be valid and exercisable in accordance with their terms of issue and in all other respects its provisions shall remain in full force and effect.

DISCLOSURE OF OTHER INFORMATION *(continued)*

SHARE OPTION SCHEME *(continued)*

The followings are details of the options granted (the “Granted Options”) pursuant to the Share Option Scheme but not yet exercised as at 30 June 2022:

Grantee(s)	Date of grant	Number of share options					As at 30 June 2022	Exercise Price HK\$	Approximate % of shareholding upon fully exercise of share options
		As at 1 January 2022	Granted during the period	Cancelled during the period	Lapsed during the period	Exercised during the period			
<i>Executive Director</i> Jin Yanbing (Chairman)	3 April 2017	16,000,000	-	-	(16,000,000)	-	-	0.30	-
	28 April 2017	5,670,000	-	-	(5,670,000)	-	-	0.41	-
		21,670,000	-	-	(21,670,000)	-	-		-
<i>Other employees and consultants of the Group</i>	3 April 2017	151,000,000	-	-	(151,000,000)	-	-	0.30	-
	28 April 2017	192,000,000	-	-	(192,000,000)	-	-	0.41	-
Total		364,670,000	-	-	(364,670,000)	-	-		-

Note:

The closing price of the shares of the Company as stated in the Stock Exchange’s daily quotations sheet immediately before the date on which the outstanding options were granted were as follows:

Date of grant	Trading day immediately before the date of grant	Closing price per share immediately before the date of grant HK\$
3 April 2017	31 March 2017	0.285
28 April 2017	27 April 2017	0.345

DISCLOSURE OF OTHER INFORMATION *(continued)*

SHARE OPTION SCHEME *(continued)*

The period within which the Granted Options could be exercised under the Share Option Scheme:

Exercise period	Number of options exercisable
From 1 st anniversary of the date of grant to 2 nd anniversary of the date of grant	Up to 25% of the total number of Granted Options
From 2 nd anniversary of the date of grant to 3 rd anniversary of the date of grant	Up to 25% of the total number of Granted Options
From 3 rd anniversary of the date of grant to 4 th anniversary of the date of grant	Up to 25% of the total number of Granted Options
From 4 th anniversary of the date of grant to 5 th anniversary of the date of grant	Up to 25% of the total number of Granted Options

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.



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

As at 30 June 2022, 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 shares or underlying shares of the Company

Name of Director	Nature of interest	Number of shares or underlying shares held	Approximate percentage of shareholding
<i>Executive Director</i> Jin Yanbing (<i>Chairman</i>)	Beneficial owner	12,000,000 (L)	0.08%

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 shares or underlying shares of the Company *(continued)*

Save as disclosed above, as at 30 June 2022, 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 2022, 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 2022, 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 2022, 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.



DISCLOSURE OF OTHER INFORMATION *(continued)*

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 2022.

Code provision C.2.1

Code provision C.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer ("CEO") should be separate and should not be performed by the same individual. Mr. Jin Yanbing was appointed as the Chairman of the Board, the CEO and an executive Director on 26 August 2019. Since then, the Company does not have a separate chairman and CEO. Mr. Jin Yanbing currently performs these two roles. The Board believes that vesting the roles of both chairman and CEO has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority will not be impaired by the present arrangement and instead, this structure will enable the Company to make and implement decisions promptly and effectively which can enhance corporate governance. The Board will review the management structure regularly and consider separating the roles of the chairman and CEO if and when appropriate.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

EVENTS AFTER REPORTING DATE

There are no important events affecting the Group which have occurred after 30 June 2022 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 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2022, 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 2022 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

Jin Yanbing

Chairman

26 August 2022, Hong Kong

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

(Expressed in Renminbi unless otherwise stated)

	Notes	Six months ended 30 June	
		2022	2021
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue		284,980	563,676
Cost of sales		(154,424)	(218,323)
Gross profit		130,556	345,353
Other gains and losses	4	1,817	10,675
Administrative expenses		(88,384)	(104,217)
Loss on disposal of subsidiaries, net	20	(3,736)	(49,058)
Impairment loss on a disposal group classified as held for sale	15	(4,176)	(2,692)
Impairment loss on trade and other receivables, net	13	(10,084)	(62,783)
Finance costs	5	(106,852)	(290,843)
Share of (loss)/profit of associates	11	(958)	7,183
Loss before income tax	6	(81,817)	(146,382)
Income tax expense	7	(7,648)	(6,916)
Loss for the period		(89,465)	(153,298)
Loss for the period attributable to:			
Owners of the Company		(91,103)	(153,362)
Non-controlling interests		1,638	64
		(89,465)	(153,298)
Loss per share attributable to owners of the Company for the period	8		
Basic (RMB cents)		(0.61)	(1.02)
Diluted (RMB cents)		(0.61)	(1.02)

The notes on pages 38 to 74 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022
(Expressed in Renminbi unless otherwise stated)

	Notes	Six months ended 30 June	
		2022	2021
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Loss for the period		(91,103)	(153,298)
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	12	(16,190)	(6,602)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		(13,666)	4,121
Other comprehensive income for the period, net of tax		(29,856)	(2,481)
Total comprehensive income for the period		(120,959)	(155,779)
Total comprehensive income attributable to:			
Owners of the Company		(122,597)	(155,843)
Non-controlling interests		1,638	64
		(120,959)	(155,779)

The notes on pages 38 to 74 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

(Expressed in Renminbi unless otherwise stated)

		At 30 June 2022	At 31 December 2021
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		18,533	23,985
Solar power plants	10	2,085,904	2,851,655
Interests in associates	11	171,279	172,237
Goodwill		547	547
Right-of-use assets		177,513	191,566
Financial assets measured at fair value through other comprehensive income	12	897,689	1,186,361
Deferred tax assets		9,785	8,121
		3,361,250	4,434,472
Current assets			
Inventories		290	939
Trade and other receivables	13	2,709,778	2,626,491
Cash and cash equivalents	14	209,380	699,574
		2,919,448	3,327,004
Assets of a disposal group classified as held for sale	15	311,489	473,394
Total current assets		3,230,937	3,800,398
Current liabilities			
Trade and other payables	16	348,648	506,230
Lease liabilities		21,267	19,988
Loans and borrowings	17	1,166,004	1,812,740
Corporate bonds	18	17,510	69,117
Tax payable		3,440	6,979
		1,556,869	2,415,054
Liabilities of a disposal group classified as held for sale	15	28,654	145,974
Total current liabilities		1,585,523	2,561,028
Net current assets		1,645,414	1,239,370
Total assets less current liabilities		5,006,664	5,673,842

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

As at 30 June 2022

(Expressed in Renminbi unless otherwise stated)

		At 30 June 2022	At 31 December 2021
	<i>Notes</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
Non-current liabilities			
Lease liabilities		119,709	125,250
Loans and borrowings	17	1,237,997	1,774,987
Corporate bonds	18	6,445	12,087
		1,364,151	1,912,324
NET ASSETS		3,642,513	3,761,518
CAPITAL AND RESERVES			
Share capital	19	6,486,588	6,486,588
Reserves		(2,929,204)	(2,808,561)
Equity attributable to owners of the Company		3,557,384	3,678,027
Non-controlling interests		85,129	83,491
TOTAL EQUITY		3,642,513	3,761,518

The notes on pages 38 to 74 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

(Expressed in Renminbi unless otherwise stated)

Note	Equity attributable to the owners of the Company								Total equity RMB'000 (Unaudited)
	Share capital RMB'000 (Unaudited)	PRC statutory reserve RMB'000 (Unaudited)	Exchange reserve RMB'000 (Unaudited)	Fair value through other comprehensive income reserve RMB'000 (Unaudited)	Equity-settled share-based payment reserve RMB'000 (Unaudited)	Accumulated losses RMB'000 (Unaudited)	Total RMB'000 (Unaudited)	Non-controlling interests RMB'000 (Unaudited)	
Balance at 1 January 2021	6,486,588	162,017	(34,231)	(643,706)	51,412	(1,401,129)	4,620,951	81,857	4,702,808
Loss for the period	-	-	-	-	-	(153,362)	(153,362)	64	(153,298)
Other comprehensive income, net of tax	-	-	4,121	(6,602)	-	-	(2,481)	-	(2,481)
Total comprehensive income, net of tax	-	-	4,121	(6,602)	-	(153,362)	(155,843)	64	(155,779)
Equity-settled share-based transactions 6(a)	-	-	-	-	1,203	-	1,203	-	1,203
Lapse of share options	-	-	-	-	(4,148)	4,148	-	-	-
Appropriation to PRC statutory reserves	-	11,284	-	-	-	(11,284)	-	-	-
Deemed contribution from non-controlling interests	-	-	-	-	-	-	-	470	470
Disposal of subsidiaries	-	(3,725)	-	-	-	3,725	-	-	-
Balance at 30 June 2021	6,486,588	169,576	(30,110)	(650,308)	48,467	(1,557,902)	4,466,311	82,391	4,548,702
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

The notes on pages 38 to 74 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022
(Expressed in Renminbi unless otherwise stated)

	Six months ended 30 June	
	2022	2021
Notes	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net cash generated from operations	104,684	399,849
Tax paid	(14,159)	(15,428)
	90,525	384,421
Cash flows from investing activities		
Payment for construction costs in respect of solar power plants	(3,620)	(17,347)
Proceeds from disposal of subsidiaries, net of cash disposed	20 81,225	797,959
Payment for purchase of financial assets measured at fair value through other comprehensive income	(18)	–
Receipt from disposal of financial assets measured at fair value through profit or loss	–	16,728
Receipt from reduction in investment of financial assets measured at fair value through other comprehensive income	272,500	–
Decrease in structured bank deposits, net	–	4,030
Other cash flows from (used in) investing activities	1,977	(663)
	352,064	800,707

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

For the six months ended 30 June 2022

(Expressed in Renminbi unless otherwise stated)

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flow from financing activities		
Proceeds from new loans and borrowings	109,140	475,000
Repayment of loans and borrowings	(778,195)	(1,244,875)
Repayment of corporate bonds	(41,049)	(22,882)
Payment of lease liabilities	(1,261)	(16,521)
Interest paid	(193,941)	(366,977)
Net cash used in financing activities	(905,306)	(1,176,255)
Net (decrease) increase in cash and cash equivalents	(462,717)	8,873
Cash and cash equivalents at 1 January	702,142	248,563
Effect of foreign exchange rate changes	(29,866)	6,881
Cash and cash equivalents at 30 June	209,559	264,317
Cash and cash equivalents as at 1 January, represented by:		
Bank balances and cash	699,574	168,947
Bank balances and cash included in assets classified as held for sale	2,568	79,616
	702,142	248,563
Cash and cash equivalents as at 30 June, represented by:		
Bank balances and cash	209,380	262,350
Bank balances and cash included in assets classified as held for sale	179	1,967
	209,559	264,317

The notes on pages 38 to 74 form part of this interim report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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 26 August 2022.

The financial information relating to the financial year ended 31 December 2021 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 2021 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 2021 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 2021 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 26 August 2022.

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 2021 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 2022.

For the six months ended 30 June 2022, 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 2022:

Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018–2020 Cycle	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards, HKFRS 9 Financial Instruments and HKFRS 16 Leases
Amendments to HKFRS 3	Reference to the Conceptual Framework



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:

Amendment to HKFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021 ¹
HKFRS 17	Insurance Contracts ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction ²

¹ Effective for annual periods beginning on or after 1 April 2021.

² Effective for annual periods beginning on or after 1 January 2023.

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	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of electricity	215,861	532,676
Provision of solar power plant operation and maintenance services	51,713	20,499
Interest income generated from provision of financial services	17,406	10,501
	284,980	563,676

During the six months ended 30 June 2022, sales of electricity includes renewable energy subsidies amounted to approximately RMB128,027,000 (six months ended 30 June 2021: RMB352,647,000).



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 2022 and 2021 is set out below.

	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 30 June 2022				
Reportable segment assets	4,893,832	337,444	3,186	5,234,462
Reportable segment liabilities	2,560,322	22,459	709	2,583,490

3. REVENUE AND SEGMENT INFORMATION (continued)

B. Segment information (continued)

(i) Business segments (continued)

	Six months ended 30 June 2021			
	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	553,175	10,501	–	563,676
Inter-segment revenue	–	–	–	–
Reportable segment revenue	553,175	10,501	–	563,676
Reportable segment profit/(loss) (adjusted EBITDA)	438,890	943	(60)	439,773
Primary geographical markets				
PRC	553,175	10,501	–	563,676
Timing of revenue recognition				
At a point in time	–	–	–	–
Transferred over time	553,175	10,501	–	563,676
	553,175	10,501	–	563,676
As at 31 December 2021				
Reportable segment assets	5,939,428	282,946	3,718	6,226,092
Reportable segment liabilities	3,876,405	12,759	589	3,889,753



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	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment revenue	284,980	563,676
Elimination of inter-segment revenue	-	-
Consolidated revenue	284,980	563,676
Profit		
Reportable segment profit	132,969	439,773
Other gains	9,349	1,884
Net realised gain on disposal of financial assets measured at fair value through profit or loss	-	284
Depreciation and amortisation	(89,673)	(172,203)
Loss on disposal of subsidiaries, net	(3,736)	(49,058)
Impairment loss on a disposal group classified as held for sale	(4,176)	(2,692)
Impairment loss on trade and other receivables, net	(10,084)	(62,783)
Share of (loss)/profit of associates	(958)	7,183
Finance costs	(106,852)	(290,843)
Equity-settled share-based payment expenses	(316)	(1,203)
Unallocated corporate expenses (note (a))	(8,340)	(16,724)
Consolidated loss before income tax	(81,817)	(146,382)

3. REVENUE AND SEGMENT INFORMATION *(continued)*

B. Segment information *(continued)*

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

	At	At
	30 June	31 December
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Assets		
Reportable segment assets	5,234,462	6,226,092
Interests in associates	171,279	172,237
Financial assets measured at fair value through profit or loss	897,689	1,186,361
Deferred tax assets	9,785	8,121
Unallocated corporate assets <i>(note (b))</i>	278,972	642,059
Consolidated total assets	6,592,187	8,234,870
Liabilities		
Reportable segment liabilities	2,583,490	3,889,753
Corporate bonds	23,955	81,204
Unallocated corporate liabilities <i>(note (c))</i>	342,229	502,395
Consolidated total liabilities	2,949,674	4,473,352



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 AND LOSSES

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income	2,149	1,191
Net foreign exchange gain	7,200	693
Net realised gain on disposals of financial assets measured at fair value through profit or loss	–	284
Properties rental income	5,248	5,221
Government allowance	391	369
Solar power plant rectification expenses	(11,722)	(914)
Others	(1,449)	3,831
	1,817	10,675



5. FINANCE COSTS

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on loans and borrowings	99,101	270,473
Imputed interest on corporate bonds (note 18)	1,674	13,275
Interest on lease liabilities	6,077	7,095
Total interest expense on financial liabilities not at fair value through profit or loss	106,852	290,843
Less: interest expense capitalised into solar power plants under construction	-	-
	106,852	290,843

6. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging:

A. Employee benefit expenses (including directors' emoluments)

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, wages and other benefits	72,591	56,556
Contributions to defined contribution retirement plan	10,115	7,969
Equity-settled share-based payment expenses	316	1,203
	83,022	65,728

B. Other items

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Amortization of right-of-use assets	11,762	13,799
Auditor's remuneration	790	21
Depreciation		
— Property, plant and equipment	1,677	2,098
— Solar power plants	76,234	156,306
Operating lease expenses in respect of short-term leases	1,047	2,407

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	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
— PRC corporate income tax	9,312	6,916
Deferred tax	(1,664)	—
	7,648	6,916

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 2022 and 2021.

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 2022 is based on loss attributable to owners of the Company for the period of approximately RMB91,103,000 (six months ended 30 June 2021: RMB153,362,000) and on the weighted average number of approximately 14,964,442,000 (six months ended 30 June 2021: 14,964,442,000) ordinary shares in issue during the period.

Diluted loss per share for the six months ended 30 June 2022 and 2021 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 2022 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 2021: Nil).

10. SOLAR POWER PLANTS

During the six months ended 30 June 2022, the Group increased its investments in solar power plants of approximately RMB1,658,000 (six months ended 30 June 2021: RMB4,616,000). During the six months ended 30 June 2022, the Group successfully completed the disposals of three (six months ended 30 June 2021: three) solar power plants with total installed capacity of 140 megawatts ("MW") (six months ended 30 June 2021: 340 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 2022, certain solar power plants with carrying amount of approximately RMB503,835,000 (31 December 2021: RMB518,980,000) 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 2022, certain solar power plants with carrying amount of approximately RMB970,869,000 (31 December 2021: RMB2,054,066,000) 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 2022 and 31 December 2021 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 2021: 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	8% (31 December 2021: 8%)	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 2021: 10%)	LNG trading platform development and business in relation to LNG management
東台瀾晶光伏有限公司 (Dongtai Lanjing Photovoltaic Co., Ltd.*)	PRC	36.79% (31 December 2021: 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 2021: 40%)	Consulting service
北京江山明輝新能源有限公司 (Beijing Kong Sun Minghui New Energy Limited*)	PRC	30% (31 December 2021: 30%)	Solar power generation and development

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. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Financial assets measured at fair value through other comprehensive income		
Unlisted partnership investments (note (a))	432,482	704,964
Unlisted equity investments (note (b))	465,207	481,397
	897,689	1,186,361

Notes:

- (a) As at 30 June 2022 and 31 December 2021, the Group's unlisted partnership investments included the followings:
- (i) On 21 August 2018, 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 蘇州君盛晶石股權投資合夥企業(有限合伙)(Suzhou Junsheng Jingshi Equity Investment Partnership (Limited Partnership)*) ("Suzhou Junsheng Limited Partnership") pursuant to the partnership agreement ("Suzhou Junsheng Partnership Agreement") for carrying out investments in high-tech, energy sector and other high growth unlisted enterprises. Pursuant to the Suzhou Junsheng Partnership Agreement, the total capital contribution of Suzhou Junsheng Limited Partnership shall amount to RMB1,000,100,000, in which the Group's capital contribution is approximately 49.995% (equivalent to approximately RMB500,000,000). During the six months ended 30 June 2022, the Group received return of capital amounting to approximately RMB92,500,000. As at 30 June 2022, the fair value of the Group's actual capital contribution paid in Suzhou Junsheng Limited Partnership was approximately RMB130,000,000 (31 December 2021: RMB222,500,000).



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

Notes: *(continued)*

(a) *(continued)*

(i) *(continued)*

Pursuant to Suzhou Junsheng Partnership Agreement, Suzhou Junsheng 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. Suzhou Junsheng 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 Suzhou Junsheng Limited Partnership, procure that Suzhou Junsheng Limited Partnership carefully selects investment targets and properly manages invested assets.

Details of Suzhou Junsheng Limited Partnership are set out in the Company's announcement and circular dated 21 August 2018 and 21 December 2018, respectively.



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

Notes: *(continued)*

(a) *(continued)*

- (ii) 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 2022, the Group’s actual capital contribution paid in Taizhou Jiuan Limited Partnership was approximately RMB300,000,000 (31 December 2021: 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.



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

Notes: (continued)

(a) (continued)

- (iii) 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 2022, the fair value of the Group’s actual capital contribution paid in Huoerguosi Limited Partnership was approximately RMB2,482,000 (31 December 2021: RMB2,464,000).
- (iv) On 11 October 2016, a wholly-owned subsidiary of the Company, as a junior limited partner, and the other two partners (collectively, the “Partners”), being independent third parties to the Group, entered into a partnership agreement (the “Jiaxing Shengshi Agreement”), pursuant to which all parties agreed to establish a limited partnership, namely 嘉興盛世神州永贏投資合夥企業(有限合夥)(Jiaxing Shengshi Shenzhou Yongying Investment Partnership (Limited Partnership))* (“Jiaxing Shengshi Limited Partnership”) for carrying out investments primarily in the high-tech and emerging industries, the energy industry and other high-growth unlisted enterprises. Pursuant to the Jiaxing Shengshi Agreement, the total capital contribution of Jiaxing Shengshi Limited Partnership shall be RMB3,001,000,000, in which the Group’s capital contribution is approximately 15% (equivalent to approximately RMB450,000,000). On 19 December 2016, the Partners entered into a supplemental agreement to the Jiaxing Shengshi Agreement, pursuant to which the Partners agreed to reduce the size of the total capital contribution from RMB3,001,000,000 to RMB1,701,000,000, in which the Group’s capital contribution is approximately 15% (equivalent to approximately RMB255,000,000). During the six months ended 30 June 2022, the Group received return of capital amounting to approximately RMB180,000,000. As at 30 June 2022, the Group’s actual capital contribution paid in Jiaxing Shengshi Limited Partnership was approximately RMB Nil (31 December 2021: RMB180,000,000).

Details of the Jiaxing Shengshi Limited Partnership are set out in the Company’s announcements dated 11 October 2016, 18 October 2016 and 19 December 2016, respectively.

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

Notes: *(continued)*

- (b) As at 30 June 2022 and 31 December 2021, 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.

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 2022, a fair value loss of approximately RMB12,335,000 (six months ended 30 June 2021: fair value gain of approximately RMB4,745,000) was recognised in other comprehensive income. As at 30 June 2022, the approximately 4.88% (31 December 2021: 4.88%) equity interests in Hohhot Jingu Bank of approximately RMB187,697,000 (31 December 2021: RMB200,032,000) was determined with reference to the valuation report prepared by an independent professional qualified valuer.



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

Notes: *(continued)*

(b) *(continued)*

- (ii) As at 30 June 2022, the unlisted equity investment, at fair value, represents approximately 1.03% (31 December 2021: 1.03%) and approximately 0.77% (31 December 2021: 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 2022, a fair value loss of approximately RMB3,855,000 (six months ended 30 June 2021: RMB11,347,000) was recognised in other comprehensive income. The fair value of the unlisted equity investment of Jinzhou Bank as at 30 June 2022 of approximately RMB277,510,000 (31 December 2021: RMB281,365,000) 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 2022, the unlisted equity investments measured at fair value with the carrying amount of approximately RMB277,510,000 (31 December 2021: RMB281,365,000) were pledged as securities for the Group's loans and borrowings (note 17).



13. TRADE AND OTHER RECEIVABLES

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Trade receivables	1,430,850	1,568,306
Impairment provision for trade receivables	(35,789)	(24,907)
Trade receivables, net (<i>note (i)</i>)	1,395,061	1,543,399
Other receivables, prepayments and deposits	1,594,633	1,365,673
Impairment provision for other receivables	(279,916)	(282,581)
Other receivables, prepayments and deposits, net	1,314,717	1,083,092
	2,709,778	2,626,491

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

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Less than 3 months	131,014	310,896
Over 3 months but less than 6 months	124,533	81,815
Over 6 months but less than 12 months	123,102	155,732
Over 12 months but less than 24 months	378,210	291,908
Over 24 months	638,202	703,048
	1,395,061	1,543,399



13. TRADE AND OTHER RECEIVABLES (continued)

Movements in provision for impairment of trade and other receivables for the six months ended 30 June 2022 are as follows:

	Trade receivables RMB'000 (Unaudited)	Other receivables RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
At 1 January 2022	24,907	282,581	307,488
Impairment provision/ (reversal) during the period	10,882	(798)	10,084
Disposal of subsidiaries	–	(1,867)	(1,867)
At 30 June 2022	35,789	279,916	315,705

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 2022 (31 December 2021: 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 2022, the outstanding renewable energy subsidies amounted to approximately RMB1,067,224,000 (31 December 2021: RMB1,268,357,000).

- (ii) As at 30 June 2022, certain trade receivables arising from the sales of electricity amounting to approximately RMB763,566,000 (31 December 2021: RMB923,394,000) were pledged as securities for the Group's loans and borrowings (note 17).

14. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents of the Group is approximately RMB199,455,000 as at 30 June 2022 (31 December 2021: RMB689,139,000) 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.

15. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

As at 30 June 2022, assets and liabilities relating to 黃驊市正陽新能源有限公司 (Huanghua Zhengyang New Energy Limited*) (“Huanghua Zhengyang”), were presented as disposal group held for sale following the sale and purchase agreement dated 10 July 2021 entered into between the Group and the purchaser, being an independent third party. Huanghua Zhengyang was principally engaged in the generation and sales of electricity.

As at 31 December 2021, assets and liabilities relating to 化隆縣瑞啟達新能源有限公司 (Hualong County Ruiqida New Energy Limited*) (“Hualong County Ruiqida”) and Huanghua Zhengyang, were presented as disposal group held for sale following the sale and purchase agreement dated 10 July 2021 entered into between the Group and the purchasers, being an independent third parties. The principal activities of these subsidiaries were the generation and sales of electricity. These subsidiaries are collectively referred to as the 2021 disposal group.

Management assessed that each of entities within the 2021 disposal group are available for immediate sale in its present condition and the sale is expected to be highly probable and would be completed within twelve months after the end of the reporting period. The disposal of Hualong County Ruiqida and Huanghua Zhengyang were approved by the shareholders at an extraordinary general meeting held on 14 September 2021.

In accordance with HKFRS 5, assets and liabilities relating to these subsidiaries were disposal group classified as held for sale in the condensed consolidated statement of financial position as at 30 June 2022 and the consolidated statement of financial position as at 31 December 2021. The disposal did not constitute a discontinued operation as it did not represent a major line of business or geographical area of operation.



15. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

The Directors regard the sale proceeds less directly attributable costs which amounted to approximately RMB241,476,000 (31 December 2021: RMB337,461,000) as the fair value less cost of disposal for the disposal of Huanghua Zhengyang (31 December 2021: 2021 disposal group).

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Property, plant and equipment	27	251
Solar power plants	216,439	346,282
Right-of-use assets	27,814	30,927
Trade and other receivables	71,206	173,153
Amounts due from group companies	162,674	217,102
Cash and cash equivalents	179	2,568
	478,339	770,283
Less: Amounts due from group companies	(162,674)	(217,102)
Impairment losses on disposal group classified as held for sale	(4,176)	(79,787)
Total assets classified as held for sale	311,489	473,394
Trade and other payables	(6,069)	(30,402)
Amounts due to group companies	(160,891)	(207,061)
Loans and borrowings	-	(93,241)
Tax payable	(492)	(768)
Lease liabilities	(22,093)	(21,563)
	(189,545)	(353,035)
Less: Amounts due to group companies	160,891	207,061
Total liabilities classified as held for sale	(28,654)	(145,974)

16. TRADE AND OTHER PAYABLES

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Trade payables	126,208	167,555
Other payables and accruals	222,440	338,675
	348,648	506,230

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

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Current or less than 3 months	1,778	17,140
Over 3 months but less than 6 months	159	1,053
Over 6 months but less than 12 months	4,056	75,431
Over 12 months	120,215	73,931
	126,208	167,555



17. LOANS AND BORROWINGS

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Current		
Secured		
— bank loans	207,500	30,000
— other borrowings	955,964	1,782,740
Unsecured		
— other borrowings	2,540	—
	1,166,004	1,812,740
Non-current		
Secured		
— bank loans	345,000	222,500
— other borrowings	892,997	1,552,487
	1,237,997	1,774,987
Total loans and borrowings	2,404,001	3,587,727

17. LOANS AND BORROWINGS (continued)

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

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Within 1 year	1,166,004	1,812,740
After 1 year but within 2 years	899,386	1,023,291
After 2 years but within 5 years	338,611	629,962
After 5 years	–	121,734
	2,404,001	3,587,727

Loans and other borrowings bear interest ranging from 4.9% to 10.25% (31 December 2021: 4.9% to 10.25%) per annum.

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

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Fixed-rate borrowings	982,500	2,551,446
Floating-rate borrowings	1,421,501	1,036,281
	2,404,001	3,587,727



17. LOANS AND BORROWINGS (continued)

The loans and borrowings were secured by the following assets:

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Solar power plants (note 10)	970,869	2,054,066
Trade receivables (note 13)	763,566	923,394
Financial assets measured at fair value through other comprehensive income (note 12)	277,510	281,365
	2,011,945	3,258,825

As at 30 June 2022 and 31 December 2021, 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 RMB Nil (31 December 2021: RMB270,107,000) were pledged by 99.99% equity interests of 江山豐融投資有限公司 (Jiangshan Fengrong Investment Limited*);
- (b) other borrowings of approximately RMB275,649,000 (31 December 2021: RMB275,649,000) were pledged by 99.94% equity interests of 六安旭強新能源工程有限公司 (Liu'an Xuqiang New Energy Engineering Limited*);
- (c) other borrowings of approximately RMB244,351,000 (31 December 2021: RMB244,351,000) were pledged by 99.94% equity interests of 定邊縣晶陽電力有限公司 (Dingbian Jingyang Electric Limited*);
- (d) other borrowings of approximately RMB369,366,000 (31 December 2021: RMB369,366,000) were pledged by 99.94% equity interests of 定邊縣智信達新能源有限公司 (Dingbian County Zhixinda New Energy Limited*);



17. LOANS AND BORROWINGS (continued)

- (e) other borrowings of approximately RMB Nil (31 December 2021: RMB130,634,000) were pledged by 99.94% equity interests of Hualong County Ruiqida;
- (f) other borrowings of approximately RMB1,011,492,000 (31 December 2021: RMB1,158,839,000) were pledged by 99.94% 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.*);
- (g) other borrowings of approximately RMB260,000,000 (31 December 2021: RMB260,000,000) were pledged by 96.30% equity interests of Huanghua Zhengyang; and
- (h) other borrowings of approximately RMB Nil (31 December 2021: RMB185,000,000) were pledged by 99.46% equity interests of 朔州市永陽新能源有限公司 (Shuozhou City Yongyang New Energy Limited*)



18. CORPORATE BONDS

As at 30 June 2022, corporate bonds denominated in Hong Kong dollar with an aggregate principal amount of HK\$29,500,000 (equivalent to approximately RMB25,228,000) (31 December 2021: HK\$102,000,000 (equivalent to approximately RMB83,395,000)) remained outstanding with certain independent third parties. The corporate bonds bear interest rates ranging from 3% to 7% (31 December 2021: 3% to 7%) per annum, and will mature on the date immediately following 3 to 96 months (31 December 2021: 3 to 96 months) after their issuance.

During the six months ended 30 June 2022 and 2021, 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) (six months ended 30 June 2021: HK\$27,500,000 (equivalent to approximately RMB22,882,000)) in aggregate principal amount of the corporate bonds.

The corporate bonds are measured at amortised cost using effective interest method by applying an effective interest rate ranging from 10.40% to 14.56% (six months ended 30 June 2021: 10.40% to 14.56%) per annum. Imputed interest of approximately HK\$2,021,000 (equivalent to approximately RMB1,674,000) (six months ended 30 June 2021: HK\$15,921,000 (equivalent to approximately RMB13,275,000)) (note 5) in respect of the corporate bonds was recognised in profit or loss during the six months ended 30 June 2022.

As at 30 June 2022, corporate bonds amounting to approximately HK\$20,475,000 (equivalent to approximately RMB17,510,000) (31 December 2021: HK\$84,536,000 (equivalent to approximately RMB69,117,000)) and approximately HK\$7,537,000 (equivalent to approximately RMB6,445,000) (31 December 2021: HK\$14,783,000 (equivalent to approximately RMB12,087,000)) were classified as current liabilities and non-current liabilities, respectively.



19. SHARE CAPITAL

	Number of shares	RMB'000
	'000	
Issued and fully paid:		
At 1 January 2021, 30 June 2021, 31 December 2021, 1 January 2022 and 30 June 2022	14,964,442	6,486,588

20. DISPOSAL OF SUBSIDIARIES

During the six months ended 30 June 2022, the Group disposed of its entire or partial equity interests in certain PRC-incorporated entities at a total consideration of approximately RMB214,660,000. These entities are set out below:

Name of entities	Disposal dates	Disposal Interest
Hualong County Ruiqida 濟源大峪江山光伏發電有限公司 (Jiyuan Dayu Jiangshan Photovoltaic Power Generation Limited*)	28 January 2022	100%
寶豐縣鑫泰光伏電力科技 開發有限公司 (Baofeng Xintai Photovoltaic Power Technology Development Limited*)	27 June 2022	100%
	30 June 2022	50%

Note:

- (i) These entities are principally engaged in the generation and sales of electricity.



20. DISPOSAL OF SUBSIDIARIES (continued)

During the six months ended 30 June 2022, the combined net assets of these subsidiaries as at the disposal dates are as follows:

	RMB'000 (Unaudited)
Net assets disposed of:	
Property, plant and equipment	701
Solar power plants	745,610
Right-of-use assets	3,703
Trade and other receivables	460,705
Cash and cash equivalents	6,668
Other payables and accruals	(443,572)
Lease liabilities	(1,096)
Loans and borrowings	(449,789)
	322,930
Other receivables	(75,000)
Impairment losses on disposal group held for sale recognised in prior year	(29,534)
Net losses on disposal of subsidiaries	(3,736)
Total consideration	214,660
Consideration transferred, satisfied by:	
Cash	87,893
Trade and other receivables	126,767
	214,660



20. DISPOSAL OF SUBSIDIARIES (continued)

An analysis of net inflow of cash and cash equivalents in respect of disposal of these subsidiaries are as follows:

	RMB'000 (Unaudited)
Net cash inflow arising from disposal of subsidiaries:	
Cash consideration received	87,893
Cash and cash equivalents disposed of	(6,668)
	81,225

Please refer to the 2021 interim report of the Company for comparative information relating to disposal of subsidiaries.

21. CAPITAL COMMITMENTS

At 30 June 2022, the Group had outstanding capital commitments as follows:

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Contracted but not provided for in respect of — the construction costs and service expense for solar power plants under construction	29,591	30,781

22. MATERIAL RELATED PARTY TRANSACTION

During the six months ended 30 June 2022, the Group had no 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 2022				
Financial assets measured at fair value through other comprehensive income	–	–	897,689	897,689
As at 31 December 2021				
Financial assets measured at fair value through other comprehensive income	–	–	1,186,361	1,186,361



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 2022.

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 2022.

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 2022.

Significant unobservable inputs

Hohhot Jingu Bank

Discount for lack of marketability 20.6% (31 December 2021: 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 RMB11,820,000 (31 December 2021: RMB12,596,000).

There is no change in valuation techniques during the period.

Jinzhou Bank

Discount for lack of marketability 20.6% (31 December 2021: 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 higher 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 RMB17,475,000 (31 December 2021: RMB17,718,000).

23. FAIR VALUE MEASUREMENT *(continued)*

	RMB'000 (Unaudited)
At 1 January 2022	1,186,361
Addition during the period	18
Disposal during the period	(272,500)
Fair value changes recognised in other comprehensive income during the period	(16,190)
At 30 June 2022	897,689

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 2022.

24. EVENTS AFTER REPORTING DATE

There are no other material events affecting the Group which have occurred after 30 June 2022 and up to the date of this interim report.