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## **CENTRAL NEW ENERGY HOLDING GROUP LIMITED**

**中環新能源控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1735)**

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

#### **FINANCIAL HIGHLIGHTS**

- Revenue of the Group for the Reporting Period amounted to approximately HK\$2,531.9 million (for the Previous Period: approximately HK\$1,660.1 million).
- Profit attributable to the owners of the Company for the Reporting Period amounted to approximately HK\$40.6 million (for the Previous Period: approximately HK\$16.1 million).
- Basic and diluted earnings per Share for the Reporting Period amounted to approximately HK cents 0.96 (for the Previous Period: approximately HK cents 0.38 (restated)).
- The Directors do not recommend the payment of an interim dividend for the Reporting Period (for the Previous Period: nil).

The board (the “**Board**”) of directors (“**Director(s)**”) of Central New Energy Holding Group Limited (the “**Company**”) presents the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”) together with the comparative figures for the six months ended 30 June 2023 (the “**Previous Period**”).

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

		<b>Six months ended</b>	
		<b>30/06/2024</b>	30/06/2023
		<b>(unaudited)</b>	(unaudited)
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	3	<b>2,531,889</b>	1,660,071
Direct costs		<b>(2,488,688)</b>	(1,593,501)
Gross profit		<b>43,201</b>	66,570
Other income and net gains	3	<b>144,414</b>	7,084
Administrative and other operating expenses		<b>(88,526)</b>	(35,779)
Finance costs		<b>(23,961)</b>	(8,005)
Profit before income tax	4	<b>75,128</b>	29,870
Income tax expense	5	<b>(15,071)</b>	(5,751)
Profit for the period		<b>60,057</b>	24,119
Other comprehensive income/(expenses)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
— Exchange differences arising on translation of foreign operations		<b>58,483</b>	(18,472)
— Reclassification of cumulative translation reserve upon disposal of foreign operations		<b>(431)</b>	(911)
Other comprehensive income/(expenses) for the period, net of tax		<b>58,052</b>	(19,383)
Total comprehensive income for the period attributable to owners of the Company		<b>118,109</b>	4,736

		<b>Six months ended</b>	
		<b>30/06/2024</b>	30/06/2023
		<b>(unaudited)</b>	(unaudited)
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit for the period attributable to:			
Owners of the Company		<b>40,619</b>	16,077
Non-controlling interests		<b>19,438</b>	8,042
		<u><b>60,057</b></u>	<u>24,119</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		<b>85,517</b>	3,210
Non-controlling interests		<b>32,592</b>	1,526
		<u><b>118,109</b></u>	<u>4,736</u>
		<b>HK Cents</b>	<b>HK Cents</b>
			(restated)
Earnings per share attributable to owners of the Company			
— Basic and diluted earnings per share	6	<u><b>0.96</b></u>	<u>0.38</u>

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

*As at 30 June 2024*

	<b>At 30 June 2024 (unaudited) HK\$'000</b>	<b>At 31 December 2023 (audited) HK\$'000</b>
	<i>Notes</i>	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,363,309	823,590
Right-of-use assets	961	1,683
Investment properties	253,381	222,310
Intangible assets	2,812	2,989
Deposit paid for acquisition of property, plant and equipment	–	330,996
Deposit and prepayment for life insurance policy	3,415	3,374
Deferred tax assets	12,236	32
	<b>1,636,114</b>	<b>1,384,974</b>
<b>Current assets</b>		
Financial assets at fair value through profit or loss	–	8
Properties available for sale	58,587	36,200
Contract assets	91,937	92,705
Trade and other receivables	8 1,207,389	1,229,460
Inventories	413,857	209,772
Tax recoverable	561	634
Pledged bank deposits	632,783	405,159
Cash and bank balances	339,898	137,372
	<b>2,745,012</b>	<b>2,111,310</b>
<b>Total assets</b>	<b>4,381,126</b>	<b>3,496,284</b>
<b>EQUITY</b>		
<b>Capital and reserves</b>		
Share capital	2,640	2,640
Reserves	830,457	847,890
	<b>833,097</b>	<b>850,530</b>
Equity attributable to owners of the Company	833,097	850,530
Non-controlling interests	493,296	460,705
	<b>1,326,393</b>	<b>1,311,235</b>
<b>Total equity</b>	<b>1,326,393</b>	<b>1,311,235</b>

		At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		47	275
Liabilities for long service payments		1,104	1,104
Borrowings		332,372	288,156
Deferred tax liabilities		5,426	7,185
		<u>338,949</u>	<u>296,720</u>
<b>Current liabilities</b>			
Contract liabilities		51,486	65,269
Trade and other payables	9	1,270,373	967,744
Lease liabilities		1,563	1,601
Borrowings		1,340,913	833,149
Tax payables		51,449	20,566
		<u>2,715,784</u>	<u>1,888,329</u>
<b>Total liabilities</b>		<u>3,054,733</u>	<u>2,185,049</u>
<b>Total equity and liabilities</b>		<u>4,381,126</u>	<u>3,496,284</u>
<b>Net current assets</b>		<u>29,228</u>	<u>222,981</u>
<b>Total assets less current liabilities</b>		<u>1,665,342</u>	<u>1,607,955</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 June 2024*

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 29 March 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares (the “**Shares**”) have been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 29 March 2018. As at 30 June 2024, its parent and ultimate holding company is Central Culture Resource Group Limited, a company incorporated in the British Virgin Islands (“**BVI**”) with limited liability and wholly owned by Mr. Yu Zhuyun, the controlling shareholder of the Company.

The Company’s registered office address is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands and the Company’s principal place of business is Unit 2102–03 & 10–12, 21/F, K.Wah Centre, 191 Java Road, North Point, Hong Kong. The Company is an investment holding company. The Group is principally engaged in the business of (i) new energy and engineering, procurement and construction (“**EPC**”); (ii) green building and construction related business in Hong Kong and the People’s Republic of China (“**PRC**”); (iii) smart energy management service; (iv) health and wellness; and (v) food and beverage (“**F&B**”) supply chain.

The condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange. The condensed consolidated interim financial statements should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

The condensed consolidated interim financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss which are carried at fair value.

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the significant accounting policies used in the preparation of condensed consolidated interim financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023.

## Application of amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2024 for the preparation of the Group's condensed consolidated interim financial statements:

Amendments to HKAS 1	Classification of liabilities as current or non-current (“ <b>2020 amendments</b> ”)
Amendments to HKAS 1	Classification of liabilities as current or non-current (“ <b>2022 amendments</b> ”)
Amendments to HKFRS 16	Lease liability in a sale and leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier finance arrangements

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

### 3. REVENUE, OTHER INCOME AND NET GAINS AND SEGMENT INFORMATION

Revenue, other income and net gains recognised during the periods are as follows:

	Six months ended	
	30/06/2024 (unaudited) <i>HK\$'000</i>	30/06/2023 (unaudited) <i>HK\$'000</i>
<b>Revenue</b>		
New energy and EPC	1,681,392	672,124
Green building and construction related business	404,152	711,465
Smart energy management service	36,548	1,117
Health and wellness	399,657	263,873
F&B supply chain	5,056	6,183
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Revenue from contracts with customers	2,526,805	1,654,762
Rental income	5,084	5,309
	<hr/>	<hr/>
	<b>2,531,889</b>	<b>1,660,071</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Other income and net gains</b>		
Interest income	3,796	1,768
Net gain on disposal of subsidiaries	30,327	4,374
Government grants	109,760	45
Operating lease income	424	424
Sundry income	107	473
	<hr/>	<hr/>
	<b>144,414</b>	<b>7,084</b>
	<hr/> <hr/>	<hr/> <hr/>

During the Reporting Period, the Group recognised government grants of approximately HK\$109,760,000 (Previous Period: approximately HK\$45,000), there were no unfulfilled conditions.

### **Segment information**

The Group's operating segments are determined based on information reported to the board of directors of the Company, being the chief operating decision-maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance.

Specifically, the Group's reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

- (i) New energy and EPC — manufacturing and sales of photovoltaic products and EPC;
- (ii) Green building and construction related business — provision of piling works, excavation and lateral support works, and pile cap construction and building works; development and sale of properties and holding of properties for investment and leasing purposes and supplying of green construction materials;
- (iii) Smart energy management services — provision of smart energy management system, which include sales and installation of energy-saving lighting, energy-saving equipment and information technology development services;
- (iv) Health and wellness — provision of health and wellness services, which include healthcare consulting and sales of healthcare products and healthy food; and
- (v) F&B supply chain — provision of agriculture products, F&B materials supply chain business.



## Segment revenue and results

The following is an analysis of the Group's revenue and result by operating segments:

### For the six months ended 30 June 2024

	New energy and EPC (unaudited) HK\$'000	Green building and construction related business (unaudited) HK\$'000	Smart energy management services (unaudited) HK\$'000	Health and wellness (unaudited) HK\$'000	F&B supply chain (unaudited) HK\$'000	Elimination (unaudited) HK\$'000	Total (unaudited) HK\$'000
<b>REVENUE</b>							
Revenue from external customers	1,681,392	409,236	36,548	399,657	5,056	-	2,531,889
Inter-segment sales	-	-	-	-	-	-	-
	<u>1,681,392</u>	<u>409,236</u>	<u>36,548</u>	<u>399,657</u>	<u>5,056</u>	<u>-</u>	<u>2,531,889</u>
<b>RESULT</b>							
Segment profit/(loss)	<u>74,773</u>	<u>(2,029)</u>	<u>770</u>	<u>1,188</u>	<u>47</u>	<u>-</u>	<u>74,749</u>
Other income and net gains							34,654
Unallocated corporate expenses							(10,314)
Finance costs							(23,961)
Profit before income tax							<u>75,128</u>

### For the six months ended 30 June 2023

	New energy and EPC (unaudited) HK\$'000	Green building works and construction related business (unaudited) HK\$'000	Smart energy management services (unaudited) HK\$'000	Health and wellness (unaudited) HK\$'000	F&B supply chain (unaudited) HK\$'000	Elimination (unaudited) HK\$'000	Total (unaudited) HK\$'000
<b>REVENUE</b>							
Revenue from external customers	672,124	716,774	1,117	263,873	6,183	-	1,660,071
Inter-segment sales	-	-	-	-	-	-	-
	<u>672,124</u>	<u>716,774</u>	<u>1,117</u>	<u>263,873</u>	<u>6,183</u>	<u>-</u>	<u>1,660,071</u>
<b>RESULT</b>							
Segment profit/(loss)	<u>25,426</u>	<u>12,345</u>	<u>(17)</u>	<u>(810)</u>	<u>63</u>	<u>-</u>	<u>37,007</u>
Other income and net gains							7,084
Unallocated corporate expenses							(6,216)
Finance costs							(8,005)
Profit before income tax							<u>29,870</u>

Segment revenue reported above represents revenue generated from external customers. Inter-segment revenue is charged at prevailing market rates.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit/(loss) from each segment without allocation of other income and net gains, unallocated corporate expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

### Segment assets and liabilities

	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
<b>Segment assets</b>		
New energy and EPC	2,524,335	2,303,966
Green building and construction related business	493,558	557,371
Smart energy management services	65,858	24,404
Health and wellness	244,824	94
F&B supply chain	4,071	33,220
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Total segment assets	3,332,646	2,919,055
Unallocated corporate assets	1,048,480	577,229
	<hr/>	<hr/>
Consolidated total assets	<u>4,381,126</u>	<u>3,496,284</u>
<b>Segment liabilities</b>		
New energy and EPC	2,003,871	1,772,653
Green building and construction related business	275,132	264,391
Smart energy management services	64,000	18,225
Health and wellness	94,495	1,236
F&B supply chain	1,402	18,811
	<hr/>	<hr/>
Total segment liabilities	2,438,900	2,075,316
Unallocated corporate liabilities	615,833	109,733
	<hr/>	<hr/>
Consolidated total liabilities	<u>3,054,733</u>	<u>2,185,049</u>

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than deposits and prepayment for life insurance policy, deferred tax assets, tax recoverable, pledged bank deposits, cash and bank balance and other unallocated corporate assets; and
- all liabilities are allocated to operating segments other than tax payables, deferred tax liabilities, liabilities for long service payments and other unallocated corporate liabilities.

#### 4. PROFIT BEFORE INCOME TAX

Profit before taxation has been arrived at after charging:

	<b>Six months ended</b>	
	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Depreciation of property, plant and equipment	<b>67,598</b>	6,063
Depreciation of right-of-use assets	<b>721</b>	721
Rental expense from short-term leases	<b>11,864</b>	513
Staff costs (including directors' emoluments)	<b>50,685</b>	55,989
	<b><u>50,685</u></b>	<b><u>55,989</u></b>

#### 5. INCOME TAX EXPENSE

	<b>Six months ended</b>	
	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Hong Kong Profits Tax</b>		
— Current income tax	—	—
<b>The PRC Enterprise Income Tax</b>		
— Current tax	<b>1,108</b>	6,205
<b>Deferred tax</b>	<b>13,963</b>	(454)
<b>Income tax expense</b>	<b>15,071</b>	5,751

#### 6. EARNINGS PER SHARE

	<b>Six months ended</b>	
	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Profit attributable to owners of the Company ( <i>HK\$'000</i> )	<b>40,619</b>	16,077
		(restated)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share ( <i>in thousand</i> )	<b>4,224,000</b>	4,224,000
		(restated)
Basic earnings per share ( <i>HK cents</i> )	<b>0.96</b>	0.38

The weighted average number of ordinary shares for the purpose of basic earnings per share for the six months ended 30 June 2024 has been adjusted for the share subdivision on 22 December 2023 as if they have taken place since the beginning of the period.

The comparative figures for the basic loss per share for the six months ended 30 June 2023 are restated to take into account of the effect of the above share subdivision during the period retrospectively as if they have taken place since the beginning of the comparative period.

No diluted earnings per share is presented for both the Reporting Period and the Previous Period as there was no potential ordinary share outstanding.

## 7. DIVIDEND

The Board did not recommend the payment of an interim dividend for the Reporting Period (Previous Period: nil).

## 8. TRADE AND OTHER RECEIVABLES

	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
Trade receivables	681,538	865,759
Less: Provision for impairment losses on trade receivables	<u>(11,392)</u>	<u>(11,392)</u>
	<u>670,146</u>	<u>854,367</u>
Bills receivables	61,077	89,365
Less: Provision for impairment losses on bills receivables	<u>(824)</u>	<u>(824)</u>
	<u>60,253</u>	<u>88,541</u>
Sub-total	<u>730,399</u>	<u>942,908</u>
Other receivables, deposits and prepayments	477,259	617,817
Less: Provision for impairment losses on other receivables and deposits	<u>(269)</u>	<u>(269)</u>
	<u>476,990</u>	<u>617,548</u>
	<u><u>1,207,389</u></u>	<u><u>1,560,456</u></u>

Notes:

- (a) The credit terms granted to customers are varied and are generally the result of negotiations between individual customers and the Group. The credit period granted to customers is 7 to 270 days generally.
- (b) The ageing analysis of the trade receivables based on payment certificate date/invoice date is as follows:

	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
0–30 days	268,687	638,078
31–60 days	14,209	18,414
61–90 days	116,378	107,292
Over 90 days	282,264	101,975
	<u>681,538</u>	<u>865,759</u>

- (c) Bills receivables are received from customers under ordinary course of business. All of the bills receivables are bank acceptance notes with a maturity period within six months.

## 9. TRADE AND OTHER PAYABLES

	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
Trade payables	891,995	897,455
Accruals and other payables	378,378	70,289
	<u>1,270,373</u>	<u>967,744</u>

Notes:

- (a) Payment terms granted by suppliers are generally 7 to 270 days from the invoice date of the relevant purchases.

The ageing analysis of trade payables based on the invoice date is as follows:

	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
0–30 days	702,865	511,033
31–60 days	25,460	167,300
61–90 days	28,685	78,052
Over 90 days	<u>134,985</u>	<u>141,070</u>
	<u><u>891,995</u></u>	<u><u>897,455</u></u>

- (b) Included in the Group's other payables are amounts due to related parties of Nil as at 30 June 2024 (31 December 2023: approximately HK\$12,000), which are non-interest bearing and repayable on demand.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group continues to seek new green energy business opportunities, and to develop its high-efficiency N-type battery and advanced photovoltaic component supply business in Fengtai County and Tongcheng City. Phase III construction of the 6GW battery in Fengtai County is expected to be completed and put into production in the fourth quarter of 2024.

The Group seeks to seize the green building and new green energy business opportunities in order to obtain higher returns for the shareholders of the Company (“**Shareholder(s)**”). The Group is also committed to respond to the national policies with the concept of carbon neutrality by further implementing green building and construction through use of scientific management and technical improvement to achieve low carbon and green environmental protection. The Group is devoted to combine its existing building and construction related business to practise the concept of green development through photovoltaic new power generation system and energy storage technology to create an energy-saving and sustainable living environment.

The Group had gradually expanded the business of new energy and EPC. Satisfactory performance was recorded since 2023.

As at 30 June 2024, the Group had five main business segments, which were (i) new energy and EPC; (ii) green building and construction related business; (iii) smart energy management service; (iv) health and wellness; and (v) F&B supply chain. The Group seeks to achieve synergistic value amongst the aforesaid segments in order to obtain higher returns and greater opportunities for the Group.

#### **New energy and EPC**

During the Reporting Period, the revenue from the new energy and EPC segment was approximately HK\$1,681.4 million (Previous Period: approximately HK\$672.1 million), which accounted for approximately 66.4% (Previous Period: approximately 40.5%) of the Group’s total revenue. The increase in revenue was in line with the completion of the phase II construction project of high-efficiency N-type battery during the Reporting Period.

### **Green building and construction related business**

During the Reporting Period, the revenue from the green building and construction related business segment was approximately HK\$409.2 million (Previous Period: approximately HK\$716.8 million), which accounted for approximately 16.2% (Previous Period: approximately 43.2%) of the Group's total revenue. The decrease was in line with the Group's business strategy to put more resources in the new energy and EPC segment during the Reporting Period.

### **Smart energy management services**

During the Reporting Period, the revenue from the smart energy management services segment was approximately HK\$36.5 million (Previous Period: approximately HK\$1.1 million). The increase was mainly due to a growth in revenue from smart energy management services business, which was also consistent with the Group's new energy business strategy.

### **Health and wellness**

The health and wellness business of the Group includes provision of health and wellness services, which include provision of healthcare consulting services and supply of healthcare products, green food and beauty products. During the Reporting Period, the revenue from the health and wellness business segment was approximately HK\$399.7 million (Previous Period: approximately HK\$263.9 million), which accounted for approximately 15.8% (Previous Period: approximately 15.9%) of the Group's total revenue. The increase was mainly due to a strong growth in sales volume of green food products during the Reporting Period.

### **F&B supply chain**

The F&B supply chain business of the Group includes provision of supply chain services of agriculture products, frozen meat and other F&B materials. During the Reporting Period, the revenue from the F&B supply chain segment was approximately HK\$5.1 million (Previous Period: approximately HK\$6.2 million). The decrease was consistent with the Group's business strategy to put more resources in the new energy and EPC segment during the Reporting Period.



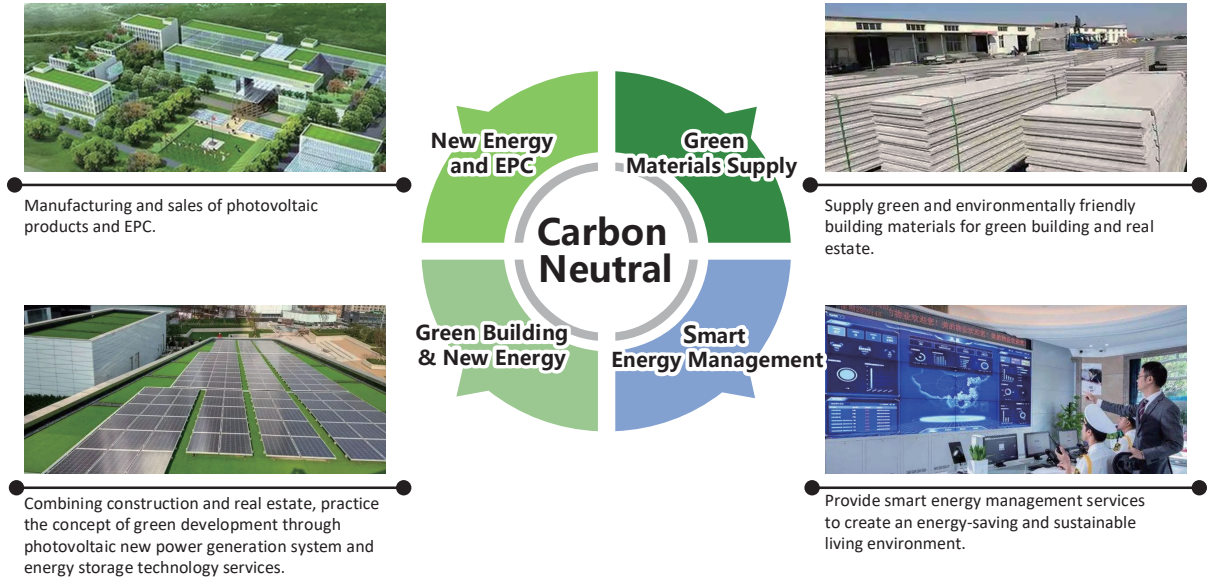
## FUTURE PLANS AND PROSPECTS

The Group will continue to seek new green energy business opportunities, and to develop its high-efficiency N-type battery and advanced photovoltaic component supply business in Fengtai County and Tongcheng City. Phase III construction of the 6GW battery in Fengtai County is expected to be completed and put into production in the fourth quarter of 2024.

In this connection, the Group has entered into certain framework agreements for cooperation in project development, investment, construction, operation and maintenance in the field of new energy, upon the Board’s belief that such cooperation will allow the Group to leverage its experience and capabilities in development and operation of new energy projects, thereby realising the green energy business of the Group. For details, please refer to the announcements of the Company dated 10 January 2024, 20 May 2024, 25 May 2024 and 14 June 2024. Further, as disclosed in its announcements dated 28 June 2024 and 12 July 2024, the Group’s leasing of equipment mainly for the production of photovoltaic battery would facilitate its business in manufacturing and sales of photovoltaic battery, thereby expanding its photovoltaic business and strengthening its revenue base, financial performance and enhancing return to the Shareholders in the long term.

Based on the above, the Group will continue to strive for sustainable income and balanced growth and achieve sustainable gains for the Shareholders, by leveraging its present opportunities in, particularly, the new energy and EPC business.

The following is a summary of the Group’s synergic strategic plan in new energy business among its business segments:



## FINANCIAL REVIEW

### Revenue

During the Reporting Period, the Group achieved satisfactory overall operational performance and recorded approximately HK\$2,531.9 million in revenue, representing an increase of approximately 52.5% as compared with that of the Previous Period of approximately HK\$1,660.1 million. The improvement was primarily due to the combined effect of: (i) the increased revenue from the new energy and EPC segment which amounted to approximately HK\$1,681.4 million (Previous Period: approximately HK\$672.1 million) as a result of a growth in sales volume of photovoltaic components and high efficiency N-type battery; (ii) the increased revenue from the health and wellness segment which amounted to approximately HK\$399.7 million (Previous Period: approximately HK\$263.8 million); and (iii) the increased revenue from the smart energy management services segment which amounted to approximately HK\$36.5 million (Previous Period: approximately HK\$1.1 million).

The following table sets forth the Group's revenue by business segments for the Reporting Period and the Previous Period:

	Six months ended	
	30/06/2024 (unaudited) HK\$'000	30/06/2023 (unaudited) HK\$'000
<b>Revenue</b>		
New energy and EPC	1,681,392	672,124
Green building and construction related business	409,236	716,774
Smart energy management services	36,548	1,117
Health and wellness	399,657	263,873
F&B supply chain	5,056	6,183
	<u>2,531,889</u>	<u>1,660,071</u>

### Gross Profit and Gross Profit Margin

The gross profit of the Group for the Reporting Period amounted to approximately HK\$43.2 million, representing a decrease of approximately 35.1% as compared with approximately HK\$66.6 million for the Previous Period. The Group's gross profit margin also decreased from approximately 4% for the Previous Period to approximately 1.7% for the Reporting Period. The decrease was mainly due to a relatively lower gross profit margin in the new energy and EPC business segment.

## **Other Income and Net Gains**

Other income and net gains of the Group increased to approximately HK\$144.4 million for the Reporting Period as compared to approximately HK\$7.1 million for the Previous Period. The increase in other income and net gains were mainly due to increase in gains from disposal of subsidiaries, government grant and interest income from bank deposits.

## **Administrative and Other Operating Expenses**

The administrative and other operating expenses of the Group for the Reporting Period amounted to approximately HK\$88.5 million, representing an increase of approximately 147.2% as compared with approximately HK\$35.8 million for the Previous Period. The increase was in line with the increase in production lines for 6GW photovoltaic N-type battery, where more development costs were incurred during the Reporting Period.

## **Income Tax Expense**

Income tax expense of the Group increased to approximately HK\$15.1 million for the Reporting Period as compared to an income tax expense of approximately HK\$5.8 million for the Previous Period. The increase in income tax expense was line with the increase in profit during the Reporting Period.

## **Profit for the Reporting Period**

As a result of the aforesaid, the Group recorded a net profit for the Reporting Period of approximately HK\$60.1 million, as compared to a net profit of approximately HK\$24.1 million for the Previous Period. Such increase in net profit was mainly due to an increase in revenue and profit generated from new photovoltaic projects in Fengtai County as a result of the production of 6GW photovoltaic N-type battery in full capacity during the Reporting Period.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group has funded the liquidity and capital requirements primarily through capital contributions and cash inflow generated from operating activities.

As at 30 June 2024, the Group had cash and bank balances of approximately HK\$339.9 million (31 December 2023: approximately HK\$137.4 million).

As at 30 June 2024, the share capital and equity attributable to owners of the Company amounted to approximately HK\$2.6 million and HK\$830.5million, respectively (31 December 2023: approximately HK\$2.6 million and HK\$847.9 million, respectively).

The current ratio decreased from approximately 1.1 times as at 31 December 2023 to approximately 1.01 times as at 30 June 2024.

## **GEARING RATIO**

Gearing ratio is calculated as total borrowings divided by total share capital and reserves at the period-end date and expressed as a percentage. The gearing ratio of the Group was approximately 126.27% as at 30 June 2024 (31 December 2023: approximately 85.66%).

## **FOREIGN EXCHANGE RISK**

The Group mainly operated in Hong Kong and the PRC during the Reporting Period. Accordingly, all operating transactions and revenue were settled in Hong Kong dollars and Renminbi, subjecting the Group to foreign exchange risk. The Group has actively taken various measures to manage foreign exchange risk.

## **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES**

Save as disclosed in this announcement, during the Reporting Period, the Group did not have any significant investments held or any material acquisitions or disposals of subsidiaries, associates or joint ventures.

## **EMPLOYEES AND REMUNERATION POLICY**

The Group had 1,165 employees (including full-time and casual employees who are paid on a daily basis) as at 30 June 2024 (30 June 2023: 1,249). Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes, provisions for staff long service payment and untaken paid leave for the Reporting Period amounted to approximately HK\$50.7 million (Previous Period: approximately HK\$56.0 million). The remuneration policy and package of the Group's employees are periodically reviewed. Apart from the mandatory provident fund and job training programmes, salary increment and discretionary bonuses may be awarded to employees upon approval by the Board according to the Group's operating results, individual performance and market situation.

## **CAPITAL COMMITMENTS**

The Group had no capital commitments as at 30 June 2024 (30 June 2023: nil).

## **CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 30 June 2024 (30 June 2023: nil).

## USE OF PROCEEDS FROM THE LISTING

On 8 July 2021, the Board resolved to change the use of the remaining unutilised net proceeds (the “**Net Proceeds**”) from the initial public offering of the Company. For details of such change, please refer to the announcement of the Company dated 8 July 2021 (the “**Announcement on the Revised Uses of the Net Proceeds**”).

The table below sets out the use of the Net Proceeds and the unutilised amount as at 30 June 2024:

	Original use of the Net Proceeds <i>HK\$'000</i> <i>(approximately)</i>	Revised use of the Net Proceeds <i>HK\$'000</i> <i>(approximately)</i>	Actual use of the Net Proceeds as at 30 June 2024 <i>HK\$'000</i> <i>(approximately)</i>	Unutilised amount as at 30 June 2024 <i>HK\$'000</i> <i>(approximately)</i>
<b>Use of Net Proceeds:</b>				
Hiring of additional staff	11,600	11,600	11,600	–
Acquisition of additional machinery and equipment	54,900	54,900	54,900	–
General working capital	7,000	7,000	7,000	–
<b>Total</b>	<u>73,500</u>	<u>73,500</u>	<u>73,500</u>	<u>–</u>

As at 30 June 2024, the Net Proceeds have been fully utilised according to the intended uses as set out in the Announcement on the Revised Uses of the Net Proceeds.

## INTERIM DIVIDEND FOR THE REPORTING PERIOD

The Board did not recommend the payment of an interim dividend for the Reporting Period (Previous Period: nil).

## EVENTS AFTER THE REPORTING PERIOD

On 12 July 2024 (after trading hours), in addition to the equipment lease agreements as disclosed in the announcement of the Company dated 28 June 2024, Central (Tongcheng) New Energy Technology Co., Ltd.\* (中環(桐城)新能源科技有限公司) (the “**Lessee**”), an indirect wholly-owned subsidiary of the Company, entered into an equipment lease agreement with Tongcheng Tianzheng New Energy Co., Ltd.\* (桐城市天正新能源有限公司) (the “**Lessor**”), pursuant to which the Lessor agreed to lease certain equipment mainly for the production of photovoltaic battery to the Lessee.

For details, please refer to the announcements of the Company dated 28 June 2024 and 12 July 2024.

Save as disclosed above, there had been no significant event since the end of the Reporting Period and up to the date of this announcement.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company had applied the principles and all applicable code provisions (the “**Code Provision(s)**”) as set out under the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) during the Reporting Period. The Directors will periodically review the Company’s corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time.

During the Reporting Period, the Company had complied with all the applicable Code Provisions of the CG Code, except for Code Provision C.2.1 of the CG Code as set out below:

Mr. Yu Zhuyun was appointed as the chief executive officer of the Company (the “**CEO**”) with effect from 30 April 2020, and is currently serving as both the chairman of the Board (the “**Chairman**”) and the CEO. Such practice deviates from Code Provision C.2.1 of the CG Code. The Board believes that vesting the roles of both the Chairman and the CEO in the same person can facilitate the execution of the Group’s business strategies and enhance its operational efficiency. The Board is currently comprised of two executive Directors, two non-executive Directors and three independent non-executive Directors, which is appropriately structured to ensure that there is a balance of power to provide sufficient checks to protect the interests of the Shareholders. Therefore, the Board considers that the deviation from Code Provision C.2.1 of the CG Code is appropriate in such circumstance.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix C3 to the Listing Rules as the Company’s code of conduct for Directors’ securities transactions. In response to specific enquires by the Company, all Directors have confirmed that they have fully complied with the requirements set out in the Model Code during the Reporting Period.

## **SHARE OPTION SCHEME**

Pursuant to the written resolutions of the sole Shareholder of the Company on 13 March 2018, the Company adopted a share option scheme (the “**Share Option Scheme**”) with effect from 13 March 2018. The terms of the Share Option Scheme are summarised in Appendix IV to the prospectus of the Company dated 19 March 2018. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and services providers of the Group and to promote the business of the Group. As at the date of this announcement, the total number of Shares available for issue under the Share Option Scheme was 422,400,000 Shares, representing 10% of the entire issued share capital of the Company. No share option has been granted, exercised, cancelled or lapsed since the effective date of the Share Option Scheme and up to 30 June 2024.

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

No purchase, sale or redemption of the Company’s listed securities (including sale of treasury Shares) was made by the Company or any of its subsidiaries during the Reporting Period. As at 30 June 2024, no treasury Shares were held by the Company.

## **COMPETING INTERESTS**

The Directors confirmed that none of the controlling Shareholders (as defined in the Listing Rules) or the Directors and their respective close associates (as defined in the Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group’s business during the Reporting Period, and that is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules during the Reporting Period.

## **AUDIT COMMITTEE**

The Company established the audit committee (the “**Audit Committee**”) on 13 March 2018 in accordance with Rule 3.21 of the Listing Rules, with the written terms of reference in compliance with the CG Code as set out in Appendix C1 to the Listing Rules.

The Audit Committee consists of a non-executive Director, namely Mr. Qiao Xiaoge, and two independent non-executive Directors, namely Mr. Wang Wenxing and Dr. Li David Xianglin. Mr. Wang Wenxing currently serves as the chairperson of the Audit Committee.

The primary responsibilities of the Audit Committee include: (i) to make recommendations to the Board on the appointment, reappointment and removal of external auditors; (ii) to review and monitor the external auditors’ independence and objectivity; (iii) to review the effectiveness of the Company’s audit process in compliance with applicable standards, internal control and risk management systems; (iv) to develop and implement policies on engaging external auditors to supply non-audit services, and to review and monitor the extent of the non-audit works undertaken by external auditors; and (v) to monitor the integrity of the financial statements, annual reports and accounts and half-year reports and to review significant financial reporting judgments contained in them.

## **REVIEW OF INTERIM FINANCIAL RESULTS**

The interim financial results of the Group for the Reporting Period are unaudited but have been reviewed and approved by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made in this announcement.



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

This interim results announcement is available for viewing on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.centralenergy.cn](http://www.centralenergy.cn)). The interim report of the Company for the Reporting Period containing all information required by the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board  
**Central New Energy Holding Group Limited**  
**Yu Zhuyun**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 30 August 2024

*As at the date of this announcement, the executive Directors are Mr. Yu Zhuyun (Chairman and Chief Executive Officer) and Mr. Li Menglin; the non-executive Directors are Mr. Qiao Xiaoge and Ms. Zhu Yujuan; and the independent non-executive Directors are Dr. Li David Xianglin, Mr. Wang Wenxing and Dr. Zhou Chunsheng.*