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Beijing Jingneng Clean Energy Co., Limited

北京京能清潔能源電力股份有限公司

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

(Stock Code: 00579)

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

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2024 was RMB10,460.0 million, representing a decrease of 0.84% as compared with the corresponding period of 2023.
- Profit before taxation for the six months ended 30 June 2024 was RMB2,615.2 million, representing an increase of 0.85% as compared with the corresponding period of 2023.
- Profit attributable to equity holders of the Company for the six months ended 30 June 2024 was RMB2,086.7 million, representing an increase of 1.55% as compared with the corresponding period of 2023.
- Basic and diluted earnings per share for the six months ended 30 June 2024 was RMB25.31 cents.

RESULTS HIGHLIGHTS

The board (the “Board”) of directors (the “Directors”) of Beijing Jingneng Clean Energy Co., Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group” or “we” or “us”) for the six months ended 30 June 2024 (the “Reporting Period”), prepared under International Financial Reporting Standards (the “IFRSs”).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six-month period ended 30 June 2024

	Notes	For the six-month period ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	3A	10,459,978	10,548,781
Other income	4	353,563	596,149
Gas consumption		(4,743,508)	(4,751,054)
Depreciation and amortization expenses		(2,034,760)	(1,914,175)
Personnel costs		(535,445)	(533,172)
Repairs and maintenance		(174,729)	(247,245)
Other expenses		(543,007)	(635,654)
Other gains and losses	5	<u>340,550</u>	<u>70,200</u>
Profit from operations		3,122,642	3,133,830
Interest income	6	31,452	40,451
Finance costs	6	(599,251)	(635,709)
Share of results of associates		62,536	59,612
Share of result of a joint venture		<u>(2,143)</u>	<u>(5,023)</u>
Profit before taxation		2,615,236	2,593,161
Income tax expense	7	<u>(428,203)</u>	<u>(432,041)</u>
Profit for the period	8	<u><u>2,187,033</u></u>	<u><u>2,161,120</u></u>
Profit for the period attributable to:			
– Equity holders of the Company		2,086,711	2,054,907
– Holders of perpetual notes		63,650	51,064
– Non-controlling interests		<u>36,672</u>	<u>55,149</u>
		<u><u>2,187,033</u></u>	<u><u>2,161,120</u></u>
Earnings per share			
Basic and diluted (RMB元)	10	<u><u>25.31</u></u>	<u><u>24.92</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six-month period ended 30 June 2024

	Notes	For the six-month period ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Profit for the period	8	<u>2,187,033</u>	<u>2,161,120</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(76,144)	116,799
Cash flow hedges:			
Fair value loss for the period		(14,836)	(9,528)
Reclassification of reserves in relation with power purchase agreement		5,660	4,707
Income tax relating to items that may be reclassified subsequently to profit or loss		<u>2,753</u>	<u>1,446</u>
		<u>(82,567)</u>	<u>113,424</u>
Other comprehensive (expense)/income for the period, net of income tax		<u>(82,567)</u>	<u>113,424</u>
Total comprehensive income for the period		<u><u>2,104,466</u></u>	<u><u>2,274,544</u></u>
Total comprehensive income attributable to:			
– Equity holders of the Company		2,004,144	2,168,331
– Holders of perpetual notes		63,650	51,064
– Non-controlling interests		<u>36,672</u>	<u>55,149</u>
		<u><u>2,104,466</u></u>	<u><u>2,274,544</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Non-current Assets		
Property, plant and equipment	61,735,119	60,399,920
Right-of-use assets	2,008,563	2,010,652
Intangible assets	4,607,525	4,581,135
Goodwill	65,855	65,855
Finance lease receivables	1,316,397	511,325
Investments in associates	1,548,315	1,551,361
Loans to associates	38,000	40,000
Investment in a joint venture	74,112	76,255
Loans to a joint venture	70,000	70,000
Deferred tax assets	228,373	254,107
Equity instruments at fair value through other comprehensive income (FVTOCI)	92,500	92,500
Value-added tax recoverable	1,417,674	1,567,739
Deposit paid for acquisition of property, plant and equipment	1,321,926	1,682,818
Restricted bank deposits	66,926	69,274
Derivative financial assets	-	15,836
Other non-current assets	-	793,855
	74,591,285	73,782,632
Current Assets		
Inventories	109,685	87,774
Finance lease receivables	318,039	434,920
Trade and bills receivables	11,794,837	10,921,894
Other receivables, deposits and prepayments	1,012,047	677,078
Current tax assets	22,114	8,424
Amounts due from related parties	153,923	197,682
Value-added tax recoverable	985,335	606,726
Financial assets at fair value through profit or loss (FVTPL)	437,528	257,853
Derivative financial assets	11,379	10,591
Restricted bank deposits	12,046	3,781
Cash and cash equivalents	5,642,423	6,605,086
	20,499,356	19,811,809

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Current Liabilities			
Trade and other payables	12	6,443,191	6,691,856
Amounts due to related parties		951,695	183,698
Bank and other borrowings – due within one year		8,194,819	9,743,969
Short-term financing debentures		4,554,306	4,828,929
Medium-term notes		1,022,608	93,162
Corporate bonds		613,622	13,762
Contract liabilities		71,404	114,182
Lease liabilities		33,952	35,304
Derivative financial liabilities		37,787	65,350
Income tax payable		264,692	335,182
Deferred income		78,226	105,817
		22,266,302	22,211,211
Net Current Liabilities		1,766,946	2,399,402
Total Assets less Current Liabilities		72,824,339	71,383,230
Non-current Liabilities			
Bank and other borrowings – due after one year		30,174,702	28,148,846
Medium-term notes		5,561,007	6,492,406
Corporate bonds		–	599,785
Deferred tax liabilities		389,979	388,905
Deferred income		277,499	279,645
Lease liabilities		850,079	792,106
Other non-current liabilities		148,783	160,859
		37,402,049	36,862,552
Net Assets		35,422,290	34,520,678

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Capital and Reserves		
Share capital	8,244,508	8,244,508
Reserves	<u>23,284,194</u>	<u>22,433,538</u>
Equity attributable to equity holders of the Company	31,528,702	30,678,046
Non-controlling interests	838,483	819,177
Perpetual notes	<u>3,055,105</u>	<u>3,023,455</u>
Total Equity	<u><u>35,422,290</u></u>	<u><u>34,520,678</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (unaudited)

1. GENERAL AND BASIS OF PRESENTATION

In preparing the condensed consolidated financial statements, the Directors of the Company have given careful consideration of the Group's net current liabilities of RMB1,766,946,000 as at 30 June 2024. The Group met its day-to-day working capital requirements through cash flows from operating activities and available banking facilities. Based on assessment, the Directors are of the view that the Group will be able to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting issued by the International Accounting Standards Committee as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Such condensed consolidated financial statements have not been audited.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values as appropriate.

Other than additional/change in accounting policies resulting from application of amendments to IFRSs and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The Group has not early applied the new and amendments to IFRSs that have been issued but are not yet effective.

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

3A. REVENUE

An analysis of revenue is as follows:

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue from contracts with customers	10,431,908	10,478,337
Leases	28,070	70,444
	<u>10,459,978</u>	<u>10,548,781</u>

(i) Disaggregation of revenue from contracts with customers:

	For the six months ended 30 June 2024 (Unaudited)					
	Gas-fired power and heat energy generation RMB'000	Wind power RMB'000	Photovoltaic power RMB'000	Hydropower RMB'000	Others RMB'000	Total RMB'000
Types of goods and services						
Sales of electricity	5,040,093	2,457,115	1,513,994	141,213	-	9,152,415
Sales of heat energy	1,277,724	-	-	-	-	1,277,724
Repairs and maintenance and other services	-	-	-	-	1,769	1,769
Timing of revenue recognition						
A point in time	6,317,817	2,457,115	1,513,994	141,213	-	10,430,139
Over time	-	-	-	-	1,769	1,769
Geographical market						
Mainland China	6,317,817	2,352,919	1,511,824	141,213	1,769	10,325,542
Overseas	-	104,196	2,170	-	-	106,366
Revenue from contracts with customers	<u>6,317,817</u>	<u>2,457,115</u>	<u>1,513,994</u>	<u>141,213</u>	<u>1,769</u>	<u>10,431,908</u>

For the six months ended 30 June 2023 (Unaudited)

	Gas-fired power and heat energy generation <i>RMB'000</i>	Wind power <i>RMB'000</i>	Photovoltaic power <i>RMB'000</i>	Hydropower <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods and services						
Sales of electricity	5,226,854	2,516,287	1,499,874	125,035	-	9,368,050
Sales of heat energy	1,109,765	-	-	-	-	1,109,765
Repairs and maintenance and other services	-	-	-	-	522	522
Timing of revenue recognition						
A point in time	6,336,619	2,516,287	1,499,874	125,035	-	10,477,815
Over time	-	-	-	-	522	522
Geographical market						
Mainland China	6,336,619	2,377,628	1,494,562	125,035	522	10,334,366
Overseas	-	138,659	5,312	-	-	143,971
Revenue from contracts with customers	<u>6,336,619</u>	<u>2,516,287</u>	<u>1,499,874</u>	<u>125,035</u>	<u>522</u>	<u>10,478,337</u>

(ii) Performance obligations for contracts with customers

3B. SEGMENT INFORMATION

(a) Segment revenue and results

The Group manages its businesses by divisions, such as performing the monthly revenue analysis by segments which are organized by types of business. Information is reported internally to the Group's chief operating decision maker ("CODM"), including general manager, deputy general managers and chief accountant, for the purposes of resource allocation and performance assessment. The Group has presented the following operating and reportable segments.

- Gas-fired power and heat energy generation: constructing, managing and operating natural gas-fired power plants and generating electric power and heat energy for sale to external customers.
- Wind power: constructing, managing and operating wind power plants and generating electric power for sale to external customers.
- Photovoltaic power: constructing, managing and operating photovoltaic power plants and sales of electricity generated to external customers.
- Hydropower: managing and operating hydropower plants and sales of electricity generated to external customers.

Operating segments other than "Gas-fired power and heat energy generation", "Wind power", "Photovoltaic power" and "Hydropower" did not meet the quantitative thresholds for reportable segments in both current period and prior period. Accordingly, these are grouped and presented as "Others" in the segment information.

An analysis of the Group's reportable segment revenue and results for the six months ended 30 June 2024 and 2023 by operating and reportable segment is as follows:

	Gas-fired power and heat energy generation <i>RMB'000</i>	Wind power <i>RMB'000</i>	Photovoltaic power <i>RMB'000</i>	Hydropower <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
For the six months ended 30 June 2024 (unaudited)						
Reportable segment revenue from external customers/ consolidated revenue	<u>6,317,817</u>	<u>2,457,115</u>	<u>1,513,994</u>	<u>141,213</u>	<u>29,839</u>	<u>10,459,978</u>
Reportable segment results before depreciation and amortization	<u>1,302,906</u>	<u>2,357,622</u>	<u>1,309,166</u>	<u>331,767</u>	<u>(144,059)</u>	<u>5,157,402</u>
Depreciation	397,984	948,806	490,924	46,345	10,765	1,894,824
Amortization	<u>5,223</u>	<u>24,153</u>	<u>97,784</u>	<u>12,256</u>	<u>520</u>	<u>139,936</u>
Reportable segment results (<i>N/A</i>)	<u><u>899,699</u></u>	<u><u>1,384,663</u></u>	<u><u>720,457</u></u>	<u><u>273,167</u></u>	<u><u>(155,344)</u></u>	<u><u>3,122,642</u></u>

	Gas-fired power and heat energy generation <i>RMB'000</i>	Wind power <i>RMB'000</i>	Photovoltaic power <i>RMB'000</i>	Hydropower <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
For the six months ended 30 June 2023 (unaudited)						
Reportable segment revenue from external customers/ consolidated revenue	<u>6,336,619</u>	<u>2,516,287</u>	<u>1,499,874</u>	<u>125,035</u>	<u>70,966</u>	<u>10,548,781</u>
Reportable segment results before depreciation and amortization	<u>1,426,314</u>	<u>2,407,975</u>	<u>1,306,127</u>	<u>78,526</u>	<u>(170,937)</u>	<u>5,048,005</u>
Depreciation	385,823	868,832	440,884	49,072	11,466	1,756,077
Amortization	<u>7,942</u>	<u>26,999</u>	<u>110,147</u>	<u>12,281</u>	<u>729</u>	<u>158,098</u>
Reportable segment results (<i>N_{i, .}</i>)	<u>1,032,549</u>	<u>1,512,144</u>	<u>755,096</u>	<u>17,173</u>	<u>(183,132)</u>	<u>3,133,830</u>

N_{i, .}: The segment results are arrived at after the deduction from revenue of gas consumption, depreciation and amortization, personnel costs, repair and maintenance, other expenses, and including other gains and losses and other income before inter-segment elimination.

4. OTHER INCOME

	For the six-month period ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Government grants and subsidies related to:		
– Clean energy production	143,589	352,697
– Construction of assets	9,997	9,997
Income from carbon credits (<i>N_{i, .}</i>)	72,864	98,519
Value-added tax refunds or exemptions (<i>N_{i, .}</i>)	73,286	86,521
Others	<u>53,827</u>	<u>48,415</u>
	<u>353,563</u>	<u>596,149</u>

Notes :

- (a) Income from carbon credits was mainly derived from the sales of carbon credits registered under relevant regulated exchange system in Australia and the PRC.
- (b) The Group is entitled to a 50% refund of value-added tax for its revenue from the sale of electricity generated from the wind farms and a full refund of value-added tax for its revenue from the sale of heat energy to residential customers. The income of the value-added tax refund or exemption is recognized when relevant value-added tax refund or exemption application is registered with the relevant PRC tax authorities.

5. OTHER GAINS AND LOSSES

	For the six-month period ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other gains and losses comprise:		
Loss on disposal of property, plant and equipment	(988)	(858)
Net exchange losses	(11,217)	(6,004)
Gains arising on change in fair value of financial asset at FVTPL	177,376	3,719
Others	175,379	73,343
	<u>340,550</u>	<u>70,200</u>

6. INTEREST INCOME/FINANCE COSTS

	For the six-month period ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income	<u>31,452</u>	<u>40,451</u>
Interest expense	684,344	688,575
Less: Amounts capitalized in property, plant and equipment	<u>(85,093)</u>	<u>(52,866)</u>
Total finance costs	<u>599,251</u>	<u>635,709</u>

7. INCOME TAX EXPENSE

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Current tax:		
PRC enterprise income tax	<u>396,732</u>	<u>405,150</u>
Deferred tax:		
Current period	<u>31,471</u>	<u>26,891</u>
Income tax expense	<u><u>428,203</u></u>	<u><u>432,041</u></u>

PRC enterprise income tax has been generally provided at the applicable enterprise income tax rate of 25% on the estimated assessable profits of the group companies established in the PRC for the six months ended 30 June 2024.

Under the PRC Enterprise Income Tax law, the preferential tax treatment for encouraged enterprises located in the Western China and certain industry-oriented tax incentives remain available up to 31 December 2030 when the original preferential tax period expired. Under the enterprise income tax law, the enterprises in encouraged industries in Western China are eligible for a preferential enterprise income tax rate for the period from 1 January 2021 to 31 December 2030. A PRC enterprise which enjoys this tax treatment is entitled to a preferential tax rate of 15%, and is exempted from the enterprise income tax for the first to third year and is entitled to a preferential enterprise income tax rate of 50% on its taxable income for the fourth to sixth year. Certain of the Group's wind farm projects, photovoltaic projects and hydropower power projects were entitled to this tax concession.

No provision for Hong Kong Profit Tax has been made as the Group has no assessable profit derived in Hong Kong.

Australian income tax is calculated at 30% of the estimated assessable profit.

8. PROFIT FOR THE PERIOD

	For the six-month period ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Auditors' remuneration	2,003	724
Operating lease payments in respect of land and building	<u>24,094</u>	<u>24,795</u>
Depreciation and amortization:		
Depreciation of property, plant and equipment	1,853,972	1,719,275
Depreciation of right-of-use assets	40,852	36,802
Amortization of intangible assets	<u>139,936</u>	<u>158,098</u>
Total depreciation and amortization	<u><u>2,034,760</u></u>	<u><u>1,914,175</u></u>

9. DIVIDENDS

- (a) A final dividend of RMB13.98 cents per ordinary share (tax inclusive) in respect of the year ended 31 December 2023 amounting to RMB1,152,582,000 was approved in the Company's annual general meeting held on 26 June 2024.
- (b) The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of the Company for the six months ended 30 June 2024 of RMB2,086,711,000 (six months ended 30 June 2023: RMB2,054,907,000) and the number of shares in issue for the six months ended 30 June 2024 of 8,244,508,000 (six months ended 30 June 2023: 8,244,508,000).

Diluted earnings per share are presented as the same as the basic earnings per share as there were no potential diluted shares outstanding during the presented periods.

11. TRADE AND BILLS RECEIVABLES

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Trade receivables		
– goods and services	1,892,735	1,075,919
– clean energy power price premium	9,931,869	

12. TRADE AND OTHER PAYABLES

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Trade payables	2,420,627	2,643,206
Payables for acquisition of property, plant and equipment	2,293,700	2,703,750
Retention payables	779,575	290,049
Bills payable	50,000	40,000
Salary and staff welfare	104,478	110,339
Non-income tax payables	403,610	308,641
Others	391,201	595,871
	<u>6,443,191</u>	<u>6,691,856</u>

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The Group normally settles the trade payable related to gas purchase within 30 days, settles the payable related to equipment purchase and construction cost according to related contractual arrangements which normally require progress payments during the construction period and a final payment after construction cost verified by independent valuer.

The following is an ageing analysis of the Group's trade payables and bills payables by invoice date as at the end of each reporting period:

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Within 30 days	1,176,918	1,487,310
31 to 365 days	733,972	989,698
1 to 2 years	395,339	106,638
2 to 3 years	107,382	37,116
Over 3 years	57,016	62,444
	<u>2,470,627</u>	<u>2,683,206</u>

MANAGEMENT DISCUSSION AND ANALYSIS

I. Review of the Power Industry

In the first half of 2024, China had witnessed safe and reliable electricity supply, and recorded stable and relatively rapid growth in electricity consumption, achieving a supply-demand balance as a whole and continuous advancement in the green and low-carbon transition. In the first half of 2024, the national electricity consumption reached 4.66 trillion kWh, representing a period-on-period increase of 8.1%, up by 3.1 percentage points over the corresponding period of last year, providing strong security in electricity supply for the economic and social development.

In the first half of 2024, the electric power industry achieved great performance on green and low-carbon transition. According to the statistics from China Electricity Council and the National Energy Administration, etc., the national electricity installed capacity in total was 3.07 billion kW as at 30 June 2024, representing a period-on-period increase of 14.1%, among which, the installed capacity of non-fossil fuel was 1.71 billion kW, representing a period-on-period increase of 24.2% with its proportion to the total installed capacity being 55.7%, representing an increase of 4.5 percentage points over the corresponding period of last year. The installed capacity of wind power generation was 470 million kW, representing a period-on-period increase of 20%, and the installed capacity of photovoltaic power generation was 710 million kW, representing a period-on-period increase of 55.2%. The total installed capacity of wind power generation and photovoltaic power generation has exceeded the installed capacity of coal-fired generation, representing an increase of 2.4 percentage points over the beginning of the year with its proportion to the total installed capacity being 38.4%.

In the first half of 2024, the power generation of power plants above the national scale was 4.44 trillion kWh, representing a period-on-period increase of 5.2%. Among which, the wind power and photovoltaic power generation recorded a period-on-period increase of 6.9% and 27.1% respectively. The electricity trading centers across the country managed to organise electricity transactions of 2.85 trillion kWh in the market, representing a period-on-period increase of 7.4%, accounting for 61.1% of the national electricity consumption.

In the first half of 2024, the utilisation hour of power generation equipment of power plants with a capacity of 6,000 kW or above in China was 1,666 hours, representing a period-on-period decrease of 71 hours. Among which, the utilisation hour of on-grid wind power generation equipment was 1,134 hours, representing a period-on-period decrease of 103 hours; the utilisation hour of on-grid photovoltaic power generation equipment was 626 hours, representing a period-on-period decrease of 32 hours; the utilisation hour of hydropower generation equipment was 1,477 hours, representing a period-on-period increase of 238 hours; the utilisation hour of gas power generation equipment was 1,084 hours, representing a period-on-period decrease of 53 hours. The utilisation hour of other types of power generation equipment recorded a decrease except for those of hydropower generation equipment.

II. Business Review for the First Half of 2024

The year 2024 marked as a crucial year to fully implement the guiding principles of the 20th CPC National Congress. In the first half of the year, the Group faced up to various operation challenges and upheld its pursuit for high-quality development by making proactive response to changes while seeking changes and continuing to optimize its management measures. The Group maintained a stable development momentum, with its overall operation showing a distinctive feature of “remarkable startup, stable performance and great potential”.

1. The Group took multiple measures to achieve better-than-expected performance in the gas-fired power and heat energy generation segment

Amidst the negative impact from the electricity price downward adjustment in the gas-fired power and heat energy generation segment, the Group made careful production and operation plan of this segment, proactively communicated with heating network and explored direct heat energy users, pursued heating supply and power generation synergies by releasing heat supply potential during the heating season and increasing heating load during the non-heating season, and made full use of the residual heat from the gas turbines, in an effort to increase revenue from heat supply business. The Group proactively carried out communication with heating network to achieve heavy load operation and improve operation efficiency of the generator units. In addition, the Group implemented strict cost control by reducing comprehensive gas consumption for power supply and lowering production cost.

In the first half of 2024, the operating profit of gas-fired power and heat energy generation segment of the Group amounted to approximately RMB900 million, representing a period-on-period decrease of RMB130 million, which was better than expected; the capacity of power generation was 9.51 billion kWh, representing a period-on-period decrease of 1.2%; the average utilisation hour was 2,019 hours, 935 hours longer than the average industry level; and the heat generation was 16.18 million GJ, representing a period-on-period increase of 12.4%.

2. The Group stepped up marketing efforts to maintain a period-on-period growth in profit attributable to equity holders and power generation

In the first half of 2024, the gas-fired power plants operated by the Group in Beijing made electricity price downward adjustment of approximately RMB0.035/kWh, the average wind

In the first half of 2024, profit attributable to equity holders of the Group amounted to approximately RMB2.087 billion, representing a period-on-period increase of 1.55%, and the Group continued to keep profit growth despite of the electricity price downward adjustment in the gas-fired power and heat energy generation segment; the total power generation was approximately 20.11 billion kWh, representing a period-on-period increase of 4.09%. Among which, the power generation of the wind power generation segment was 7.14 billion kWh, representing a period-on-period increase of 8.67%, and the equipment utilisation hour was 1,137 hours, 3 hours longer than the average industry level; the power generation of the photovoltaic power generation segment was 2.87 billion kWh, representing a period-on-period increase of 10.44%, and the equipment utilisation hour was 683 hours, 57 hours longer than the average industry level.

3. The Group proactively facilitated project construction, with the installed capacity of non-fossil power generation exceeding 10 million kW

As of 30 June 2024, the total installed capacity of the Group reached 14.753 million kW, and the installed capacity of non-fossil power generation exceeded 10 million kW after netting off the installed capacity of 4.702 million kW of the gas-fired power and heat energy generation. Among which, the installed capacity of wind power generation was 5.566 million kW, the installed capacity of photovoltaic power generation was 3.939 million kW, the installed capacity of hydropower generation was 0.396 million kW, and the installed capacity of energy storage projects was 0.15 million kW.

In addition, the Group had projects under trial operation with an installed capacity of approximately 1.848 million kW, of which the wind power generation projects had a capacity of approximately 1.20 million kW, the photovoltaic power generation projects had a capacity of approximately 0.422 million kW, the gas-fired power and heat energy generation projects had a capacity of approximately 0.15 million kW, and the energy storage projects had a capacity of approximately 76,000 kW. The Group had in-progress projects with an installed capacity of approximately 1.258 million kW, of which the wind power generation projects had a capacity of approximately 0.08 million kW, and photovoltaic power generation projects had a capacity of approximately 1.178 million kW.

4. The Group made strenuous efforts in exploring new markets, with the registered capacity reaching nearly 6 million kW

As of 30 June 2024, the Group had a registered capacity of approximately 5.93 million kW. In the first half of the year, the Group completed newly-developed registered capacity of approximately 2.416 million kW. Among which, the newly-developed registered capacity of wind power generation was approximately 0.9 million kW, and the newly-developed registered capacity of photovoltaic power generation was approximately 1.516 million kW, continuing to make new progress in promoting green development.

In the first half of 2024, the Group continued to develop its bases with a capacity of million kW located in the surrounding areas of Beijing such as Chengde, Tianjin and Shijiazhuang by leveraging on the advantages of “Green-Power-to-Beijing”; took Yanqing Jiami project as an opportunity and made coordinated efforts to expand production capacity of the projects located in the northern part of Beijing; obtained project indicators for the 4.90 million kW integrated wind and photovoltaic power generation project for windproof and desertification control purpose in Xilingol League, of which the projects with a capacity of 1.50 million kW have completed site selection, preparation and review of feasibility research report, internal investment decision-making and other procedures, and were ready for commencement of construction; had the pumped storage project with a capacity of 1.20 million kW in Mentougou District been included into the plan of the National Energy Administration; completed the draft feasibility research report, draft report on selection of wind turbine types and draft demonstrative project development plan for the offshore wind power project with a capacity of 1 million kW in Shantou; obtained the construction indicator for the 0.5 million kW photovoltaic power project for desertification control purpose operated by the Xinjiang Production and Construction Corps; had the 0.2 million kW photovoltaic power project for the low-carbon transformation of Jingneng Industrial Park in Toksun county, Turpan city been included in the list of on-grid new energy projects of Xinjiang Uygur Autonomous Region; adhered to the “two-pronged drive” strategy and proactively carried out acquisitions and mergers of wind and photovoltaic power projects with an aggregate capacity of approximately 0.8 million kW.

5. The Group proactively promoted digital transformation and actively built new quality productive forces

In the first half of 2024, the Group continued to expand the digital and intelligent operation of the intelligent centralized control centers, extended the application of digital and intelligent technologies to the power plants via drones, robots, Internet of Things and edge computing application, and completed the implementation and commission of drone-based auto-inspection system, unsafe behavior visualisation system, intelligent wearable and intelligent lock assistant system. The Group also proactively explored the application of “energy + computing” to seek breakthrough in the emerging fields, with the R&D inputs reaching 2.10% of its top line, up by 0.9 percentage point as compared with the same period of last year, in an effort to build new quality productive forces of the Group.

6. The Group continued to improve its intrinsic safety performance and has been granted high-quality awards for its ESG performance for consecutive years

In the first half of 2024, the Group launched the “digital safety management platform”, promoted the integrated development of new technologies such as artificial intelligence and production safety, and continued to improve its intrinsic safety performance through refined management and technology innovation. At the same time, the Group proactively incorporated the ESG concept into its day-to-day management. The Group was rated AA in the Wind ESG rating. With its outstanding performance in environment, social and governance, the Group has been granted the Wind ESG AA rating for three consecutive years.

III. Business Outlook for the Second Half of 2024

2024 marks the 75th anniversary of the founding of the People’s Republic of China and represents a crucial year to fully implement the 14th Five-year Plan. By focusing on the main line of work formulated at the beginning of the year, the Group will continue to pursue high-quality development by striking a balance between the quality and quantity of development, make concerted efforts for the implementation of key areas, seek breakthroughs with a focus on key tasks, and give priority to key projects to achieve positive results, with an aim to celebrate the 75th anniversary of our country with excellent results.

1. Striving to accomplish the on-grid capacity and profit targets for the year, and continuing to promote high-quality development

In the second half of 2024, the Group will expedite the realisation of 12.50 million kW target for installed capacity of renewable energy and total profit target of RMB4.1 billion, focus on construction plan for the projects in progress and key project progress, consolidate its superior resources and strengths to promote high-standard investment and construction of infrastructural projects, exert strict control over project quality and cost, and strive to promote on-grid power generation of high quality projects, in an effort to realize a total installed capacity of over 18.00 million kW; further step up efforts on power marketing and heat marketing, strive to increase power generation, improve equipment utilisation rate, and make all-round effort to reduce costs and enhance efficiency, striving to achieve the established profit target and continue to promote high-quality development of the Company.

2. Stepping up efforts on projects development, and continuing to reserve high-quality projects

In the second half of 2024, the Group will continue to adhere to the development-construction-operation integration concept of “project development and infrastructure serving on production and operation, while the latter providing supports for project development and infrastructure”. With the goal of “optimized selection, superior construction and strict management” and on the premise of high-quality development, the Group will further step up efforts in project development, make strenuous effort to promote the implement of key projects including the windproof and desertification control project, Shantou sea wind project, Mentougou pumped storage project and Lingshou base project, with an aim to reserve high quality projects for the next year.

3. Improving market value management capability, and striving to achieve the goal of maximising the shareholders’ interest

In the second half of 2024, the Group will continue to facilitate development as well as acquisitions and mergers of additional projects, construct and operate its existing projects with high quality, and proactively communicate with investors and analysts to establish a good market image. The Group will also actively respond to the requirement by the state-owned assets supervision system regarding enhancing appraisal of market value management of listed companies, continue to maintain a relatively high bonus distribution and dividend payout ratio to maximise the shareholders’ interest, and proactively reinforce market value management.

4. Deepening the implementation of the “five refined” management concept to further strengthen the bottom line for high-quality production safety

In the second half of 2024, the Group will deepen the implementation of the “five refined” management concept, and step up efforts in implementing the comprehensive budget management, so as to ensure refined and accurate management activities; continue to explore and practice low-cost operation model, further increase investments in technology innovation and management innovation, and constantly optimize production process, improve equipment utilisation efficiency, refine inventory management and other measures to reduce resource waste and consumption, in an effort to reduce production costs continuously while ensuring production safety.

In the second half of 2024, the Group will facilitate comprehensive implementation of various safety management requirements and protection measures, further build a sound safety management system, establish well-defined safety management accountability, enhance intelligent supervision by leveraging on the “digital safety management platform”, and make concrete efforts to implement the “three-year action plan” to address the root cause of workplace accidents and ensure production safety, so as to improve its intrinsic safety performance. The Group will step up flood control measures to effectively strengthen its contingency response capability against extreme weather conditions; carry out all-round production safety self-inspection to ensure thorough implementation of rectification measures introduced subsequent production safety inspection, with an aim to further strengthen the bottom line for high-quality production safety.

IV. Operating Results and Analysis

1. Overview

In the first half of 2024, the Company recorded profit for the period of RMB2,187.0 million, representing an increase of 1.20% as compared with RMB2,161.1 million for the first half of 2023. Profit attributable to the equity holders amounted to RMB2,086.7 million, representing an increase of 1.55% as compared with RMB2,054.9 million for the first half of 2023.

2. Operating Income

The total operating income decreased by 0.84% from RMB10,548.8 million for the first half of 2023 to RMB10,460.0 million for the first half of 2024, due to the electricity price downward adjustment of the gas-fired power and heat energy generation segment, a decrease in electricity sales volume of the existing projects in the wind power segment and a decrease in the average unit price of the existing projects in the photovoltaic power segment.

Gas-fired Power and Heat Energy Generation Segment

The revenue from the gas-fired power and heat energy generation segment decreased by 0.30% from RMB6,336.7 million for the first half of 2023 to RMB6,317.8 million for the first half of 2024, of which, revenue from sales of electricity decreased by 3.57% from RMB5,226.9 million for the first half of 2023 to RMB5,040.1 million for the first half of 2024, due to the electricity price downward adjustment and the decrease in sales volume of electricity of this segment. Revenue from sales of heat energy increased by 15.13% from RMB1,109.8 million for the first half of 2023 to RMB1,277.7 million for the first half of 2024, due to the increase in the heat energy supplied during the first half of the year.

Wind Power Segment

The operating income from wind power segment decreased by 2.35% from RMB2,516.3 million for the first half of 2023 to RMB2,457.1 million for the first half of 2024, due to the decrease in sales volume of electricity of the existing projects in this segment.

P, P,

The operating income from photovoltaic power segment increased by 0.94% from RMB1,499.9 million for the first half of 2023 to RMB1,514.0 million for the first half of 2024, due to an increase in sales volume of electricity as a result of newly invested projects and a decrease in the average electricity price of the existing projects in this segment.

H,

The operating income from hydropower segment increased by 12.96% from RMB125.0 million for the first half of 2023 to RMB141.2 million for the first half of 2024, due to the increase in sales volume of electricity in this segment.

O,

The operating income of other segment principally comprises revenue from finance lease business and equipment repairs and maintenance. The operating income of other segment decreased by 57.83% from RMB70.9 million for the first half of 2023 to RMB29.9 million for the first half of 2024, due to a decrease in revenue from external finance lease.

3. Other Income

Other income decreased by 40.68% from RMB596.1 million for the first half of 2023 to RMB353.6 million for the first half of 2024, due to the electricity price downward adjustment of the gas-fired power and heat energy generation segment, resulting in the substantial decrease in tariff subsidy.

4. Operating Expenses

Operating expenses decreased by 4.00% from RMB8,011.1 million for the first half of 2023 to RMB7,691.0 million for the first half of 2024, due to the receipt of power plant demolition subsidy and the gains arising from changes in fair value of the H shares of CGN Power Co., Ltd. held by the Group.

G C,

Gas consumption decreased by 0.16% from RMB4,751.1 million for the first half of 2023 to RMB4,743.5 million for the first half of 2024, due to a decrease in gas consumption as a result of the decrease in sales volume of electricity by the gas-fired power and heat energy generation segment.

D. Depreciation and Amortization Expense

Depreciation and amortization expense increased by 6.30% from RMB1,914.2 million for the first half of 2023 to RMB2,034.8 million for the first half of 2024, due to an increase in installed capacity which has been put into production in the wind power segment and the photovoltaic power segment.

P. Personnel Cost

Personnel cost increased by 0.41% from RMB533.2 million for the first half of 2023 to RMB535.4 million for the first half of 2024, which basically remained stable.

R. Repairs and Maintenance

Repairs and maintenance decreased by 29.33% from RMB247.2 million for the first half of 2023 to RMB174.7 million for the first half of 2024, due to the overhaul of generator units in the gas-fired power and heat energy generation segment carried out in the first half of 2023.

O. Other Expenses

Other expenses principally comprise (1) external purchase of power, water and materials, etc.; (2) property management, greening and fire protection fees; (3) rental expenses; (4) underwriting fees, bank commissions; (5) intermediary service fees; (6) property insurance premium; and (7) other miscellaneous operating expenses.

Other expenses decreased by 14.58% from RMB635.7 million for the first half of 2023 to RMB543.0 million for the first half of 2024, due to the remarkable results from the Group's effort in cost reduction and efficiency enhancement.

O. Other Gains

Other gains increased from RMB70.3 million for the first half of 2023 to RMB340.4 million for the first half of 2024, due to the gains arising from changes in fair value of H shares of CGN Power Co., Ltd. held by the Group, the issue discounts as a result the issuance of asset-backed securities backed by accounts receivables and the receipt of demolition subsidy for the hydropower plants that have been closed down in the first half of 2024.

5. Operating Profit

As a result of the above, operating profit decreased by 0.36% from RMB3,133.8 million for the first half of 2023 to RMB3,122.6 million for the first half of 2024.

P,

The operating profit of wind power segment decreased by 8.43% from RMB1,512.1 million for the first half of 2023 to RMB1,384.7 million for the first half of 2024, due to the decrease in sales volume of electricity of the existing projects in this segment.

G, P, H, E, G,

The operating profit of gas-fired power and heat energy generation segment decreased by 12.86% from RMB1,032.5 million for the first half of 2023 to RMB899.7 million for the first half of 2024, due to the electricity price downward adjustment of this segment.

P, P,

The operating profit of photovoltaic power segment decreased by 4.58% from RMB755.1 million for the first half of 2023 to RMB720.5 million for the first half of 2024, which was attributable to the decrease in the average electricity price of the existing projects of this segment.

H,

The operating profit of hydropower segment increased by 14.88 times from RMB17.2 million for the first half of 2023 to RMB273.2 million for the first half of 2024, due to the receipt of power plant demolition subsidy by this segment.

O,

The losses recorded by other segment decreased from RMB183.1 million for the first half of 2023 to RMB155.5 million for the first half of 2024, due to the gains arising from changes in fair value of H shares of CGN Power Co., Ltd. held by the Group and the issue discounts as a result the issuance of asset-backed securities backed by accounts receivables recorded for the first half of 2024.

6. Finance Costs

Finance costs decreased by 5.73% from RMB635.7 million for the first half of 2023 to RMB599.3 million for the first half of 2024, due to the decrease in finance costs, down by 0.2 percentage point in the average finance costs of the Group from 2.99% for the first half of 2023 to 2.79% for the first half of 2024.

7. Share of Results of Associates and a Joint Venture

Share of results of associates and a joint venture increased by 10.62% from RMB54.6 million for the first half of 2023 to RMB60.4 million for the first half of 2024, due to the improvement in the operating results of the associated companies, i.e. BEH Finance Co., Ltd. (京能集團財務有限公司) and Quanzhou Liupu Hydropower Co., Ltd. (全州柳鋪水電有限公司).

8. Profit before Taxation

As a result of the foregoing, profit before taxation increased by 0.85% from RMB2,593.2 million for the first half of 2023 to RMB2,615.2 million for the first half of 2024.

9. Income Tax Expense

Income tax expense decreased by 0.88% from RMB432.0 million for the first half of 2023 to RMB428.2 million for the first half of 2024.

10. Profit for the Period

As a result of the foregoing, profit for the period increased by 1.20% from RMB2,161.1 million for the first half of 2023 to RMB2,187.0 million for the first half of 2024.

11. Profit for the Period Attributable to Equity Holders of the Company

Profit for the period attributable to equity holders of the Company increased by 1.55% from RMB2,054.9 million for the first half of 2023 to RMB2,086.7 million for the first half of 2024.

V. Financial Position

1. Overview

As of 30 June 2024, total assets of the Group amounted to RMB95,090.7 million, total liabilities amounted to RMB59,668.4 million and total equity amounted to RMB35,422.3 million, among which equity attributable to the equity holders amounted to RMB31,528.7 million.

2. Particulars of Assets and Liabilities

Total assets increased by 1.60% from RMB93,594.4 million as at 31 December 2023 to RMB95,090.7 million as at 30 June 2024, due to an increase in investment in newly-built projects. Total liabilities increased by 1.01% from RMB59,073.8 million as at 31 December 2023 to RMB59,668.4 million as at 30 June 2024, due to increased debt as a result of capital

demand for construction of projects. Total equity increased by 2.61% from RMB34,520.7 million as at 31 December 2023 to RMB35,422.3 million as at 30 June 2024. Equity attributable to equity holders of the Company increased by 2.77% from RMB30,678.0 million as at 31 December 2023 to RMB31,528.7 million as at 30 June 2024, due to the accretion from business results in the first half of 2024.

3. Liquidity

As of 30 June 2024, current assets amounted to RMB20,499.4 million, including cash and cash equivalents of RMB5,642.4 million, trade and bills receivables of RMB11,794.8 million (mainly comprising receivables from sales of electricity and sales of heat), finance lease receivables of RMB318.0 million, and prepayment and other current assets of RMB2,744.2 million (mainly comprising deductible value-added tax and other accounts receivables).

Current liabilities amounted to RMB22,266.3 million, including short-term borrowings of RMB8,194.8 million, short-term financing debentures of RMB4,554.3 million, medium-term notes due within one year of RMB1,022.6 million, corporate bonds of RMB613.6 million, and note payables and accounts payables of RMB6,443.2 million (mainly comprising payables for construction projects and purchase of equipment, etc.). Other current liabilities amounted to RMB1,437.8 million, mainly comprising income tax payable and amounts due to related parties, etc.

Net current liabilities decreased by 26.36% from RMB2,399.5 million as at 31 December 2023 to RMB1,766.9 million as at 30 June 2024.

4. Net Gearing Ratio

Net gearing ratio, calculated by dividing net debts (total borrowings minus cash and cash equivalents) by the sum of net debts and total equity, increased by 0.02 percentage point from 55.65% as at 31 December 2023 to 55.67% as at 30 June 2024.

The Group's long-term and short-term borrowings increased by 0.40% from RMB49,920.8 million as at 31 December 2023 to RMB50,121.1 million as at 30 June 2024, including short-term borrowings of RMB8,194.8 million, long-term borrowings of RMB30,174.8 million, medium-term notes of RMB6,583.6 million, short-term financing debentures of RMB4,554.3 million and corporate bonds of RMB613.6 million.

Bank deposits and cash held by the Group decreased by 14.58% from RMB6,605.1 million as at 31 December 2023 to RMB5,642.4 million as at 30 June 2024.

VI. Other Significant Events

1. Financing

On 16 April 2024, the Group completed the issuance of the first tranche RMB1,700 million 248-day ultra-short-term financing debentures of 2024 at an interest rate of 1.93%.

2. Capital Expenditure

In the first half of 2024, the Group's capital expenditure amounted to RMB1,939.1 million, including RMB144.6 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB410.3 million incurred for construction projects in the wind power segment, and RMB1,384.2 million incurred for construction projects in the photovoltaic power segment.

3. Acquisition and Establishment of Subsidiaries

In 2024, the Group established Beijing Yanqing Jingneng Clean Energy Co., Ltd. (北京延慶京能清潔能源有限公司), Luohe Jing New Clean Energy Co., Ltd. (漯河京新清潔能源有限公司), Taojiang Jingneng Clean Energy Co., Ltd. (桃江京能清潔能源有限公司), Jingneng (Xiaogan) Clean Energy Co., Ltd. (京能(孝感)清潔能源有限公司) and Yueyang Jingneng Clean Energy Co., Ltd. (岳陽京能清潔能源有限公司), which are engaged in the construction of photovoltaic power generation projects.

4. Contingent Liabilities

As of 30 June 2024, the Group had no contingent liabilities.

5. Mortgage of Assets

As of 30 June 2024, the Group's bank borrowings were secured by bank deposits of RMB47.1 million and accounts receivables of RMB2,617.6 million; fixed assets of RMB2,354.3 million; the entire equity in New Gullen Range Wind Farm Pty Ltd. and Gullen Solar Pty Ltd., which were pledged to National Australia Bank; and the entire equity in Ningxia Boyang New Energy Co., Ltd. and Ningxia Kaiyang New Energy Co., Ltd., which were pledged to National Development Bank in China.

6. Significant Events after the Reporting Period

On 29 August 2024, the Board of the Company approved to change the useful lives of the fixed assets with effect from 1 August 2024. According to the relevant requirements of the International Accounting Standard 16 – Property, Plant and Equipment, the Group conducted detailed assessment on the operation conditions of assets of its subordinate power plants during the year with reference to the depreciation policies implemented by listed companies in the same industry and based on the management requirements of the Group, and with an aim to more objectively and fairly reflect the useful lives and the actual utilisation of the fixed assets. As approved by the Board of the Company, the changes are made to the useful lives of the fixed assets by the Group with effect from 1 August 2024. The changes to the useful lives of the assets represent changes in accounting estimates, which shall be accounted prospectively without retrospective adjustments to the disclosed financial statements and will not have any impact on the financial position and operating results of the Company for previous years. For further details, please refer to the announcement of the Group dated 29 August 2024.

Save as disclosed above, the Group had no other significant events subsequent to the Reporting Period.

7. Share Option Scheme

As at 30 June 2024, the Company did not implement any share option scheme.

8. Foreign Exchange and Exchange Rate Risk

The businesses of the Group are mainly located in Mainland China, where most of its income and expenses are denominated in RMB. The Group has a small portion of overseas investments and loans in foreign currencies (including certain deposits denominated in Australia dollars, HK dollars, US dollars and Euro, as well as borrowings in HK dollars and Australia dollars). Changes in RMB exchange rates may cause exchange losses or gains to the Group's foreign currency-denominated business.

The Group will continue to monitor exchange rates so as to cope with changes in the foreign exchange market and enhance the risk management on exchange rates through various management measures.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2024.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2024.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

As a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company always strives to maintain a high level of corporate governance and complied with all code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the six months ended 30 June 2024.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions of the Company by the Directors and supervisors of the Company (the "Supervisors"). Upon making specific enquiries to all of the Directors and Supervisors, all Directors and Supervisors confirmed that throughout the Reporting Period, each of the Directors and Supervisors had fully complied with the required standards set out in the Model Code.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's 2024 interim results and the unaudited financial statements for the six months ended 30 June 2024 prepared in accordance with the IFRSs.

