

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

XINDA INVESTMENT HOLDINGS LIMITED

鑫達投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1281)

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

The board (the “**Board**”) of directors (the “**Directors**”) of Xinda Investment Holdings Limited (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024 (the “**Period**”) together with selected explanatory notes and the comparative figures for the corresponding period in 2023 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	4	62,795	73,287
Cost of sales		<u>(45,603)</u>	<u>(51,052)</u>
Gross profit		17,192	22,235
Selling and distribution expenses		(10)	(161)
Administrative expenses		(8,571)	(10,131)
(Impairment losses)/reversal of impairment losses on financial assets		(6,501)	2,553
Impairment losses on non-financial assets		—	(8,668)
Other income		107	53
Other gains/(losses) — net	5	<u>560</u>	<u>(1,715)</u>
Operating profit		2,777	4,166
Finance income		1,851	1,741
Finance expenses		<u>(4,358)</u>	<u>(5,093)</u>
Finance expenses — net		<u>(2,507)</u>	<u>(3,352)</u>
Profit before income tax		270	814
Income tax credit/(expense)	6	<u>480</u>	<u>(68)</u>
Profit for the period		<u>750</u>	<u>746</u>
Profit for the period is attributable to:			
Owners of the Company		1,365	343
Non-controlling interests		<u>(615)</u>	<u>403</u>
		<u>750</u>	<u>746</u>
Earnings per share for profit attributable to owners of the Company (RMB)			
Basic earnings per share	7	0.0009	0.0002
Diluted earnings per share	7	<u>0.0009</u>	<u>0.0002</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	750	746
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of financial statements of overseas operations	<u>(2,844)</u>	<u>1,953</u>
Other comprehensive (loss)/income for the period, net of tax	<u>(2,844)</u>	<u>1,953</u>
Total comprehensive income for the period	<u><u>(2,094)</u></u>	<u><u>2,699</u></u>
Total comprehensive income for the period is attributable to:		
Owners of the Company	(1,479)	2,296
Non-controlling interests	<u>(615)</u>	<u>403</u>
	<u><u>(2,094)</u></u>	<u><u>2,699</u></u>

INTERIM 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)
	<i>Notes</i>		
Assets			
Non-current assets			
Property, plant and equipment		328,453	341,541
Right-of-use assets		16,205	14,121
Intangible assets		66,151	67,441
Investment properties		5,275	5,355
Deferred tax assets		3,373	3,245
Investments accounted for using the equity method		—	—
Deposits	8	23,570	23,570
Other non-current assets		9,088	9,063
Total non-current assets		452,115	464,336
Current assets			
Inventories		4,434	4,864
Contract assets		168,399	184,360
Trade and other receivables	8	275,777	255,288
Other financial assets measured at amortised cost		—	—
Restricted cash		719	38
Time deposit with original maturity over three months		17,776	—
Cash and cash equivalents		193,908	227,705
Total current assets		661,013	672,255
Total assets		1,113,128	1,136,591
Equity and liabilities			
Share capital	9	12,255	12,255
Reserves		1,149,782	1,152,005
Accumulated losses		(315,411)	(316,155)
Equity attributable to owners of the Company		846,626	848,105
Non-controlling interests		2,693	3,308
Total equity		849,319	851,413

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2024

		As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
	<i>Notes</i>		
Liabilities			
Non-current liabilities			
Borrowings		119,450	133,600
Lease liabilities		10,660	10,485
Deferred government grants		1,799	1,852
Deferred tax liabilities		15,399	15,783
Contract liabilities		19,970	20,451
		<u>167,278</u>	<u>182,171</u>
Total non-current liabilities			
Current liabilities			
Trade and other payables	<i>10</i>	53,197	52,705
Contract liabilities		1,289	8,902
Current tax liabilities		11,696	11,732
Borrowings		27,600	26,900
Lease liabilities		2,749	2,768
		<u>96,531</u>	<u>103,007</u>
Total current liabilities			
		<u>263,809</u>	<u>285,178</u>
Total liabilities			
		<u>1,113,128</u>	<u>1,136,591</u>
Total equity and liabilities			

NOTES

For the six months ended 30 June 2024

1. GENERAL INFORMATION

Xinda Investment Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 4 January 2011 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, the Cayman Islands. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 12 January 2012.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in smart energy business and public infrastructure construction business. For this reporting period, two major shareholders of the Company are Harvest Oak Holdings Limited and Lightway Power Holdings Limited. The ultimate beneficial owner of the Company is Mr. Wei Shaojun (the “**Controlling Shareholder**”).

2. BASIS OF PREPARATIONS

This interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

The interim condensed consolidated financial information does not include all the notes of the type normally included in an annual report. Accordingly, this interim condensed consolidated financial information is to be read in conjunction with the annual report for the year ended 31 December 2023, which has been prepared in accordance with IFRS Accounting Standards, and any public announcements made by the Company during the interim reporting period.

3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the year ended 31 December 2023 and corresponding interim reporting period, unless otherwise stated.

A number of amended standards became applicable for the current reporting period. The application of the revised standards in the current interim period has no material impact on the amounts reported in these interim condensed consolidated financial statements and/or disclosures set out in these interim condensed consolidated financial statements.

Taxes on income in the interim reporting period are accrued using the tax rates that would be applicable to the expected total annual earnings.

4. REVENUE AND SEGMENT INFORMATION

(a) Revenue

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of electricity	34,319	37,243
Sales of household solar power generation systems and rendering smart energy services	12,028	13,577
Public infrastructure construction	<u>16,448</u>	<u>22,467</u>
	<u><u>62,795</u></u>	<u><u>73,287</u></u>
<i>Timing of revenue recognition</i>		
At a point in time	38,055	42,427
Over time	<u>24,740</u>	<u>30,860</u>
	<u><u>62,795</u></u>	<u><u>73,287</u></u>

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group presents the following two reportable segments:

- Smart energy business, and
- Public infrastructure construction business.

No geographical information is presented as substantially all of the Group's business activities were in the People's Republic of China (the "PRC").

Reportable segment profit or loss, assets and liabilities are as follows:

	Smart energy business	Public infrastructure construction business	Unallocated	Intersegment eliminations	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Six months ended 30 June 2024 (unaudited)					
Revenue from external customers	46,347	16,448	—	—	62,795
Impairment losses on financial assets	(6,501)	—	—	—	(6,501)
Finance income	1,025	7	819	—	1,851
Finance expenses	(4,358)	—	—	—	(4,358)
Income tax credit	480	—	—	—	480
Profit/(loss) for the period	1,928	(9)	(1,169)	—	750
<i>Other information</i>					
Depreciation and amortisation	(15,639)	—	(76)	—	(15,715)
Additions to non-current assets (<i>Note</i>)	3,341	—	—	—	3,341
As at 30 June 2024 (unaudited)					
Reportable segment assets	968,592	204,815	363,970	(424,249)	1,113,128
Reportable segment liabilities	<u>521,286</u>	<u>166,254</u>	<u>518</u>	<u>(424,249)</u>	<u>263,809</u>
Six months ended 30 June 2023 (unaudited)					
Revenue from external customers	50,820	22,467	—	—	73,287
Reversal of impairment losses on financial assets	2,553	—	—	—	2,553
Impairment losses on property, plant and equipment	(1,370)	—	—	—	(1,370)
Impairment losses on goodwill	(7,298)	—	—	—	(7,298)
Finance income	1,716	16	9	—	1,741
Finance expenses	(5,093)	—	—	—	(5,093)
Income tax credit/(expenses)	62	(130)	—	—	(68)
Profit/(loss) for the period	2,552	388	(2,194)	—	746
<i>Other information</i>					
Depreciation and amortisation	(16,809)	—	(16)	—	(16,825)
Additions to non-current assets (<i>Note</i>)	1,408	—	—	—	1,408
As at 31 December 2023 (audited)					
Reportable segment assets	991,680	204,199	369,166	(428,454)	1,136,591
Reportable segment liabilities	<u>546,167</u>	<u>165,630</u>	<u>1,835</u>	<u>(428,454)</u>	<u>285,178</u>

Note: Additions to non-current assets exclude financial assets and deferred tax assets.

5. OTHER GAINS/(LOSSES) — NET

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange gains/(losses)	552	(1,275)
Net gains on disposal of property, plant and equipment	—	3
Others	8	(443)
	<u>560</u>	<u>(1,715)</u>

6. INCOME TAX CREDIT/(EXPENSE)

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	(33)	(346)
Deferred income tax	513	278
	<u>480</u>	<u>(68)</u>

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income taxes in these jurisdictions.

The Group did not make any provisions for Hong Kong profit tax as there were no assessable profits arising in Hong Kong during the six months ended 30 June 2024 (2023: nil).

For the six months ended 30 June 2024, the statutory income tax rate of entities within the Group registered in the PRC is 25% (2023: 25%), except for the following entities entitled to tax exemption or preferential rates:

- Since the respective first revenue-generating year, subsidiaries operating solar power plants are exempted from enterprise income tax for the first three years and are entitled to a 50% tax reduction for the subsequent three years.

7. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2024 and 2023, respectively:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (RMB'000)	1,365	343
Weighted average number of ordinary shares in issue (thousands)	<u>1,484,604</u>	<u>1,484,604</u>
Basic earnings per share (RMB)	<u><u>0.0009</u></u>	<u><u>0.0002</u></u>

(b) Diluted loss per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares.

For the six months ended 30 June 2024 and 2023, no diluted earnings per share has been presented because the exercise prices of the share options exceeded the average market price of ordinary shares of the Company.

8. TRADE AND OTHER RECEIVABLES

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Trade receivables (a)	287,637	287,572
Tariff adjustment receivables (b)	<u>167,006</u>	<u>149,113</u>
	454,643	436,685
Less: loss allowance for trade receivables	<u>(227,866)</u>	<u>(225,192)</u>
Total trade receivables	<u>226,777</u>	<u>211,493</u>
Prepayments	1,080	1,302
Deposits and other receivables	72,047	66,620
Less: loss allowance for other receivables	<u>(557)</u>	<u>(557)</u>
Total trade and other receivables	299,347	278,858
Non-current portion	<u>(23,570)</u>	<u>(23,570)</u>
Current portion	<u><u>275,777</u></u>	<u><u>255,288</u></u>

As at 30 June 2024, the collection rights of trade receivables derived from solar power plants with carrying amount of RMB174,581,000 (31 December 2023: RMB148,612,000) were pledged as security for the Group's borrowings.

Ageing analysis of trade receivables on gross basis, based on invoice date, is as follows:

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Within 1 year	56,300	53,209
1 year to 2 years	49,753	57,378
2 years to 3 years	49,001	47,721
Over 3 years	<u>299,589</u>	<u>278,377</u>
	<u><u>454,643</u></u>	<u><u>436,685</u></u>

- (a) Trade receivables from sales of household solar power generation systems, rendering smart energy services and sales of electricity are due within six months, one year and one month from the invoice date, respectively. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and ageing. The allowance for trade receivables as at 30 June 2024 and 31 December 2023 was determined as follows:

As at 30 June 2024 (unaudited)

Sales of household solar power generation systems	Not yet past due	Past due within 6 months	Past due within 6 months and 18 months	Past due within 18 months and 30 months	Past due over 30 months	Total
<i>Individually assessed:</i>						
Gross carrying amount (RMB'000)	—	—	—	—	188,914	188,914
Loss allowance (RMB'000)	—	—	—	—	(179,160)	(179,160)
<i>Collectively assessed:</i>						
Expected loss rate	0%	0%	5%	9%	13%	
Gross carrying amount (RMB'000)	4,057	7,028	11,742	11,509	170	34,506
Loss allowance (RMB'000)	—	—	(545)	(1,035)	(22)	(1,602)
Total loss allowance (RMB'000)						<u>(180,762)</u>

As at 31 December 2023 (audited)

Sales of household solar power generation systems	Not yet past due	Past due within 6 months	Past due within 6 months and 18 months	Past due within 18 months and 30 months	Past due over 30 months	Total
<i>Individually assessed:</i>						
Gross carrying amount (RMB'000)	—	—	—	—	191,203	191,203
Loss allowance (RMB'000)	—	—	—	—	(179,868)	(179,868)
<i>Collectively assessed:</i>						
Expected loss rate	0%	0%	5%	9%	N/A	
Gross carrying amount (RMB'000)	7,028	5,227	10,958	8,033	—	31,246
Loss allowance (RMB'000)	—	—	(509)	(723)	—	(1,232)
Total loss allowance (RMB'000)						<u>(181,100)</u>

As at 30 June 2024 (unaudited)

	Not yet past due	Past due within 1 year	Past due between 1 year and 2 years	Past due between 2 years and 3 years	Past due over 3 years	Total
<i>Individually assessed:</i>						
Gross carrying amount (RMB'000)	—	—	3,900	3,100	29,614	36,614
Loss allowance (RMB'000)	—	—	(3,900)	(3,100)	(29,614)	(36,614)
<i>Collectively assessed:</i>						
Expected loss rate	0%	5%	9%	N/A	N/A	
Gross carrying amount (RMB'000)	795	126	114	—	—	1,035
Loss allowance (RMB'000)	—	(6)	(10)	—	—	(16)
Total loss allowance (RMB'000)						<u>(36,630)</u>

As at 31 December 2023 (audited)

	Not yet past due	Past due within 1 year	Past due between 1 year and 2 years	Past due between 2 years and 3 years	Past due over 3 years	Total
<i>Individually assessed:</i>						
Gross carrying amount (RMB'000)	—	—	—	1,908	27,693	29,601
Loss allowance (RMB'000)	—	—	—	(1,908)	(27,693)	(29,601)
<i>Collectively assessed:</i>						
Expected loss rate	0%	5%	9%	N/A	N/A	
Gross carrying amount (RMB'000)	343	4,289	3,100	—	—	7,732
Loss allowance (RMB'000)	—	(199)	(279)	—	—	(478)
Total loss allowance (RMB'000)						<u>(30,079)</u>

As at 30 June 2024 (unaudited)

Sales of electricity (non-government entities)	Not yet past due	Past due within 11 months	Past due	Past due	Past due	Past due over 47 months	Total
			11 months	between 11 months and 23 months	23 months		
<i>Individually assessed:</i>							
Gross carrying amount (RMB'000)	—	—	—	—	487	9,100	9,587
Loss allowance (RMB'000)	—	—	—	—	(487)	(9,100)	(9,587)
<i>Collectively assessed:</i>							
Expected loss rate	0%	0%	5%	9%	13%	16%	
Gross carrying amount (RMB'000)	2,956	7,430	5,707	193	205	490	16,981
Loss allowance (RMB'000)	—	—	(266)	(17)	(27)	(81)	(391)
Total loss allowance (RMB'000)							<u>(9,978)</u>

As at 31 December 2023 (audited)

Sales of electricity (non-government entities)	Not yet past due	Past due within 11 months	Past due	Past due	Past due	Past due over 47 months	Total
			11 months	between 11 months and 23 months	23 months		
<i>Individually assessed:</i>							
Gross carrying amount (RMB'000)	—	—	649	857	4,278	7,500	13,284
Loss allowance (RMB'000)	—	—	(649)	(857)	(4,278)	(7,500)	(13,284)
<i>Collectively assessed:</i>							
Expected loss rate	0%	0%	5%	9%	13%	16%	
Gross carrying amount (RMB'000)	1,550	7,227	4,671	469	194	395	14,506
Loss allowance (RMB'000)	—	—	(217)	(42)	(25)	(65)	(349)
Total loss allowance (RMB'000)							<u>(13,633)</u>

As at 30 June 2024 (unaudited)

		Past due within 11 months	Past due between 11 months and 23 months	Past due between 23 months and 35 months	Past due between 35 months and 47 months	Past due over 47 months	Total
Sales of electricity (tariff adjustment receivables)	Not yet past due						
<i>Collectively assessed:</i>							
Expected loss rate	0%	0%	0.13%	0.25%	0.43%	0.64%	
Gross carrying amount (RMB'000)	4,074	29,960	32,178	33,285	29,522	37,987	167,006
Loss allowance (RMB'000)	—	—	(42)	(84)	(128)	(242)	(496)
Total loss allowance (RMB'000)							<u>(496)</u>

As at 31 December 2023 (audited)

		Past due within 11 months	Past due between 11 months and 23 months	Past due between 23 months and 35 months	Past due between 35 months and 47 months	Past due over 47 months	Total
Sales of electricity (tariff adjustment receivables)	Not yet past due						
<i>Collectively assessed:</i>							
Expected loss rate	0%	0%	0.13%	0.25%	0.43%	0.64%	
Gross carrying amount (RMB'000)	1,939	29,896	36,811	33,354	25,841	21,272	149,113
Loss allowance (RMB'000)	—	—	(48)	(84)	(112)	(136)	(380)
Total loss allowance (RMB'000)							<u>(380)</u>

- (b) As at 30 June 2024, RMB132,972,000 (31 December 2023: RMB117,278,000) of trade receivables aged over one year represent tariff adjustment receivables, derived from the subsidies in respect of sales of electricity. Applying the expected credit risk model result in loss allowance amounted to RMB496,000 recognised for tariff adjustment receivables as at 30 June 2024 (31 December 2023: RMB380,000).

(c) Movement in the loss allowance of trade and other receivables is as follows:

	Six months ended 30 June 2024 RMB'000 (Unaudited)	Year ended 31 December 2023 RMB'000 (Audited)
Opening balance	225,749	229,832
Increase/(decrease) in loss allowance		
— Trade receivables	6,371	(4,083)
— Other receivables	130	—
Written off		
— Trade receivables	(3,697)	—
— Other receivables	(130)	—
	<u>228,423</u>	<u>225,749</u>
Closing balance	<u>228,423</u>	<u>225,749</u>

9. SHARE CAPITAL

Ordinary shares, issued and fully paid:

	Six months ended 30 June 2024 (Unaudited)		
	No. of shares (thousands)	Amount HK\$'000	RMB equivalent RMB'000
As at 1 January 2024 and 30 June 2024	<u>1,484,604</u>	<u>14,846</u>	<u>12,255</u>

During 19 January 2017 to 14 September 2018, the Company granted a total of 125,565,691 share options (the “Options”) under its share option scheme adopted on 22 November 2011 and refreshed on 12 June 2018. The Options entitled eligible participants to subscribe for up to a total of 125,565,691 new shares with par value of HK\$0.01 each in the share capital of the Company. As at 30 June 2024, there were 718,800 outstanding share options. For the six months ended 30 June 2024, no expense arising from share-based payment transactions was recognised as part of employee benefit expense (2023: nil).

10. 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	14,674	15,845
Accruals and other payables	<u>38,523</u>	<u>36,860</u>
	<u><u>53,197</u></u>	<u><u>52,705</u></u>

Ageing analysis of trade payables, based on invoice date, is as follows:

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Within 1 year	6,744	357
Over 1 year	<u>7,930</u>	<u>15,488</u>
	<u><u>14,674</u></u>	<u><u>15,845</u></u>

11. DIVIDENDS

During the six months ended 30 June 2024, the Company did not declare any dividends to the shareholders of the Company (2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the six months ended 30 June 2024 (the “**Period**”), Xinda Investment Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) were principally engaged in smart energy business and public infrastructure construction business, with gradual expansion and diversification to other clean energy businesses and investment businesses.

During the first half of 2024, the main business of the Group is basically the same as that of the same period in 2023, mainly holding and operating solar power plants, and investing and operating public infrastructure construction business of Baoding Donghu project. For the Period, the Group’s revenue was RMB62,795,000 (same period of 2023: RMB73,287,000), representing a decrease of approximately 14.3% as compared to the same period of 2023. Such decrease in revenue was primarily attributable to the reduction of power generation revenue due to the natural decline of solar power plants, and the decrease in investment in the public infrastructure construction business during the Period. The Group’s profit amounted to RMB750,000 (same period of 2023: RMB746,000), basically the same compared with the same period of last year.

BUSINESS REVIEW

Smart Energy Business

The Group’s smart energy business, positioned as comprehensive energy services for the user side, mainly serves to meet the demands from customers in industrial, commercial and residential sectors as well as public institutions. The Group provides its customers with a full range of smart energy comprehensive utilisation services based on various energy sources including electricity, heat and gas by leveraging on its smart energy cloud platform with proprietary intellectual property rights, to help customers improve their energy utilisation efficiency and reduce energy consumption cost, whereby building a diversified, clean and low-carbon energy supply system.

The Group’s smart energy business mainly represents the possession and operation of solar power plants, including the possession and operation of 11 ground and distributed solar power plants with an installed capacity of approximately 64 megawatts (MW), and the possession and operation household solar power plants with an installed capacity of approximately 18 MW. During the Period, the total power generation revenue of the existing solar power plants was RMB34,319,000 (same period of 2023: RMB37,243,000). In addition, the Group also holds and operates a heating project to collect heating fees, and provides operation and maintenance services for some external household solar power plants to collect operation and maintenance service fees.

During the Period, the smart energy business contributed approximately RMB46,347,000 (same period of 2023: RMB50,820,000) to the Group's revenue, representing a decrease of 8.8% as compared to the same period of last year, which was primarily attributable to the reduction of power generation income caused by the natural decline of solar power plants. The smart energy business recorded profit of RMB1,928,000 during the Period (same period of 2023: RMB2,552,000), representing a decrease of 24.5% as compared to the same period of last year, which was mainly due to the decline in revenue of smart energy business.

Public Infrastructure Construction Business

The public infrastructure construction business refers to the business in relation to the construction of public infrastructure and the related preliminary investment and post-construction, operation and management under the Baoding Donghu project (the "**Baoding Donghu Project**"). During the Period, the Baoding Donghu Project contributed RMB16,448,000 (same period of 2023: RMB22,467,000) to the Group's revenue. Loss amounted to approximately RMB9,000 (same period of 2023: profit of RMB388,000). The decrease in revenue was primarily attributable to the decreased investment made by the Group in the project. The loss was mainly due to the decline in revenue was less than the cost expenditure.

BUSINESS OUTLOOK

In the first half of 2024, the solar power industry in the People's Republic of China (the "**PRC**") continued to maintain a strong growth momentum. According to the data of the National Energy Administration of PRC, in the first half of the year, the new installed capacity of solar power plants reached 102.48 gigawatt (GW), an increase of 30.7% compared with the same period of last year, indicating the great potential and vitality of the development of the industry. While the industry continues to grow, fierce market competition and the absorption of solar power generation, especially distributed solar power generation, are still the important factors restricting its development.

In the second half of 2024, we will continue to control the operating costs of the Group as far as possible on the basis of stable development, through measures such as cost reduction and efficiency enhancement, while maximizing the use of light resources through intelligent, automated and regular equipment maintenance, reducing the loss of power generation caused by equipment failure or weather, improving power generation revenue, and promoting the Company's development in an intelligent and sustainable direction.

FINANCIAL REVIEW

Revenue and Gross Profit

The Group's revenue and gross profit for the Period amounted to RMB62,795,000 (same period of 2023: RMB73,287,000) and RMB17,192,000 (same period of 2023: RMB22,235,000), respectively, representing a decrease in revenue and gross profit of 14.3% and 22.7% respectively as compared to

the same period of last year. Such decreases were primarily attributable to the decrease in revenue and profit from solar power generation business due to the natural decline of solar power plants and the decreased investment made by the Group in the public infrastructure construction business.

Gross profit margin was 27% (same period of 2023: 30%), representing a decrease of 3.0% as compared to the same period of last year. Such decrease was primarily attributable to the decreased in revenue from solar power generation business with higher gross profit.

Selling and Distribution Expenses

The Group incurred selling and distribution expenses of RMB10,000 during the Period (same period of 2023: RMB161,000), representing a decrease of 93.8% as compared to the same period of last year. Such decrease was primarily attributable to the decrease in selling expenses of the household solar power generation systems business.

Administrative Expenses and Impairment Losses on Non-Financial Assets

The Group incurred administrative expenses and impairment losses on non-financial assets of RMB8,571,000 during the Period (same period of 2023: RMB18,799,000), representing a decrease of 54.4% as compared to the same period of last year. Such decrease was primarily attributable to the decrease in management fees during the Period, and an impairment loss of RMB8,668,000 was made on non-financial assets in the same period of last year, while there was no such thing in the Period.

Impairment Losses/Reversal of Impairment Losses on Financial Assets

During the Period, the Group's impairment losses on financial assets amounted to approximately RMB6,501,000 (same period of 2023: reversal of RMB2,553,000), mainly attributable to the provision for impairment losses on some trade and other receivables due to the deterioration of the operating environment.

Finance Expenses, Net

Net finance expenses of the Group amounted to RMB2,507,000 for the Period (same period of 2023: RMB3,352,000), representing a decrease of approximately 25.2% as compared to the same period of last year. Such decrease was primarily attributable to the decrease in interest rates on bank borrowings.

Income Tax Credit/Expense

Income tax credit of the Group amounted to RMB480,000 for the Period (same period of 2023: expense of RMB68,000), which was primarily attributable to the reversal of deferred income tax in the Period.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 30 June 2024, bank balances and cash amounted to approximately RMB212,403,000 (as at 31 December 2023: RMB227,743,000), of which approximately RMB17,776,000 (as at 31 December 2023: Nil) was time deposit with original maturity over three months, approximately RMB719,000 (as at 31 December 2023: RMB38,000) was restricted bank balances and cash (mainly used for the expenses incurred by the Baoding Donghu Project). The decrease in bank balances and cash was mainly due to the payment of operating funds.

Total Current Assets and Current Ratio

As at 30 June 2024, total current assets and current ratio (total current assets/total current liabilities) were approximately RMB661,013,000 (as at 31 December 2023: RMB672,255,000) and 6.85 (as at 31 December 2023: 6.53), respectively. Such decrease in total current assets was primarily attributable to the decrease in bank balances and cash and trade receivables, and the increase in current ratio was because the decrease in current liabilities.

External Borrowings and Pledge of Assets

As at 30 June 2024, the Group had external borrowings of RMB147,050,000 (as at 31 December 2023: RMB160,500,000), which was secured by certain of the machinery of solar power plants with a carrying amount of RMB218,596,000 and the collection rights of future receivables of certain subsidiaries (as at 31 December 2023: RMB160,500,000 was secured by certain of the machinery of solar power plants with a carrying amount of RMB227,927,000 and the collection rights of future receivables of certain subsidiaries).

Gearing Ratio

The table below sets forth the calculation of gearing ratio of the Group as at the dates indicated:

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Bank loans	147,050	160,500
Lease liabilities	13,409	13,253
Amounts due to related parties	870	914
Less: Cash and cash equivalents	(193,908)	(227,705)
Time deposit with original maturity over three months	(17,776)	—
Restricted cash	(719)	(38)
Net cash	(51,074)	(53,076)
Total equity	849,319	851,413
Total capital (Net cash plus total equity)	798,245	798,337
Gearing ratio (Net debt/total capital)	N/A	N/A

As at 30 June 2024, the net cash of the Group was RMB51,074,000, which was primarily attributable to the cash assets greater than the debts.

The proportion of long-term and short-term debts was 63.4% and 36.6%, respectively (as at 31 December 2023: 63.9% and 36.1%), of which borrowings of the solar power business amounting to RMB147,050,000 were gradually repaid with proceeds from electricity sales. Therefore, the Group was not exposed to any significant insolvency risk.

Interest Rate Risk

The Group's interest rate risk arises primarily from its external borrowings. During the Period, the external borrowings, which mainly represent bank borrowings for solar power plants, bear interests at rates ranging from 4.94% to 5.18% per annum (as at 31 December 2023: 5.04% to 5.28% per annum). The interest rates applicable to the borrowings of the solar power plants were charged at the lending rate of the PRC for the same period plus 10% to 15%. Its risk is derived from the volatility in China's policy on interest rate, but the Group expects the impact of the interest rate risk on the Group's consolidated profit or loss to be insignificant.

Exchange Risk

As the Group's principal activities are carried out in the PRC, the Group's transactions are mainly denominated in Renminbi, which is not freely convertible into foreign currencies. All foreign exchange transactions involving Renminbi must take place through the People's Bank of China or other institutions authorised to buy and sell foreign exchanges. The exchange rates adopted for foreign exchange transactions are the rates of exchange quoted by the People's Bank of China that are determined largely by supply and demand.

The Group currently does not have a policy on foreign currency risk as it had minimal transactions denominated in foreign currencies during the Period, and the impact of foreign currency risk on the Group's operation is minimal.

Investment Commitments

As at 30 June 2024, the Group had no investment commitments (as at 31 December 2023: RMB101,600,000, which were mainly the Group's obligations of capital contribution to its associated company, Longyao (Beijing) Clean Energy Technology Company Limited (“**Longyao Beijing**”, 隆耀(北京)清潔能源科技有限公司). As Longyao Beijing was deregistered on 5 January 2024, such commitment of capital contribution had be lapsed.

Contingent Liabilities

As at 30 June 2024, the Group had no material contingent liabilities (as at 31 December 2023: nil).

Fund Raising Activities

The Company did not have any fund raising activities during the Period.

MATERIAL ACQUISITION, INVESTMENT AND DISPOSAL

Material Acquisition and Investment

The Group had no material acquisition and investment during the Period.

Material Disposal

The Group had no material disposal during the Period.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 52 employees as at 30 June 2024 (as at 31 December 2023: 69 employees). Employees are remunerated according to the nature of their positions, individual qualification, performance, work experience and market trends, and subject to periodic reviews based on their performance.

SUBSEQUENT EVENTS

To the best knowledge of the Board, there were no other material subsequent events of the Group from 30 June 2024 to the date of this announcement.

COMPLIANCE WITH THE CG CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “**Shareholders**”) and to enhance corporate value and accountability. The Company had complied with all the applicable code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) during the Period, except for the following deviation:

Mr. Wei Qiang, an executive Director, is the chief executive officer and the chairman of the Board. According to Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Board is of the opinion that vesting the roles of both the chairman and the chief executive officer in the same person could improve the Company’s effectiveness and efficiency in reaching its business goals. The Board also believes that this arrangement will not be detrimental to the balance of power and authority between the chairman and the chief executive officer, while a higher ratio of non-executive Directors (including independent non-executive Directors) will enable the Board to make unbiased judgments more effectively and provide sufficient supervision to protect the interests of the Company and the Shareholders.

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**”) set out in Appendix 10 to the Listing Rules as its own code of conduct regarding the securities transactions of the Directors.

The Company has made specific enquiry to all Directors, and all Directors have confirmed that, during the Period, they had complied with the requirements of the Model Code.

REVIEW OF INTERIM RESULTS

The interim consolidated financial information is unaudited but has been reviewed by the external auditor of the Company.

The Audit Committee, together with the management, has reviewed the Group’s unaudited interim consolidated financial information for the Period. The Audit Committee is of the opinion that such financial information has complied with the applicable accounting standards, and the Stock Exchange and legal requirements, and that adequate disclosure has been made. The Audit Committee has also reviewed this interim results announcement and confirms that it is complete and accurate and complies with the requirements of the Listing Rules.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend in respect of the Period (for the six months ended 30 June 2023: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION

The interim results announcement of the Company for the Period is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.longitech.hk) respectively. The 2024 interim report will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Xinda Investment Holdings Limited
Wei Qiang
Chairman

Hebei, 28 August 2024

As at the date of this announcement, the executive Director is Mr. Wei Qiang, and the independent non-executive Directors are Dr. Han Qinchun, Mr. Wong, Yik Chung John and Mr. Feng Zhidong.