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四川能投發展股份有限公司
Sichuan Energy Investment Development Co., Ltd.*

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

(Stock Code: 01713)

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

The Board of Directors of Sichuan Energy Investment Development Co., Ltd.* is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2024 (the “**2024 Interim Results**”), together with the comparative figures for the corresponding period in 2023. The 2024 Interim Results have been reviewed by the Audit Committee.

Certain amounts and percentages contained in this announcement have been rounded, to either one or two decimal places and the difference between the total and the sum of addends as set out in any table, diagram or elsewhere, if any, is a result of rounding.

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2024

		Six months ended 30 June	
	Notes	2024 RMB (unaudited)	2023 RMB (unaudited)
Operating revenue	3	<u>2,264,588,613.72</u>	<u>1,833,386,031.70</u>
Less: Operating costs		1,966,133,179.39	1,592,721,352.31
Taxes and surcharges	4	8,673,093.22	6,376,311.45
Administrative expenses		109,449,940.17	94,941,326.20
Finance costs	5	6,624,046.70	2,393,801.02
Including: Interest expenses		7,325,960.13	5,127,002.44
Interest income		1,854,374.43	3,343,389.57
Add: Investment income	6	(6,932,068.91)	(6,947,510.74)
Including: Gain/(loss) on investment in associates	6	(6,932,068.91)	(6,947,510.74)
Gain/(loss) on fair value changes		–	1,587,200.00
Credit impairment (loss)/gain	7	(2,243,887.01)	8,805,519.70
Asset impairment (loss)/gain	8	1,548,547.24	225,507.83
(Loss)/gain on asset disposal		(101,598.31)	–
Other income		4,557,085.68	4,238,819.00
Operating profit		<u>170,536,432.93</u>	<u>144,862,776.51</u>
Add: Non-operating income	9(1)	1,266,588.65	17,838,443.48
Less: Non-operating expenses	9(2)	951,650.41	5,371,125.64
Total profit		<u>170,851,371.17</u>	<u>157,330,094.35</u>
Less: Income tax expenses	10	33,092,753.74	28,228,525.49
Net profit		<u>137,758,617.43</u>	<u>129,101,568.86</u>

CONSOLIDATED INCOME STATEMENT (Continued)*For the six months ended 30 June 2024*

		Six months ended 30 June	
		2024	2023
	<i>Note</i>	RMB	RMB
		(unaudited)	(unaudited)
(i) Breakdown by continuity of operation:			
1. Net profit from continuing operations		137,758,617.43	129,101,568.86
2. Net profit from discontinued operations			
(ii) Breakdown by attributable interests:			
1. Net profit attributable to shareholders of the parent company		137,799,706.39	128,363,115.12
2. Non-controlling interests		(41,088.96)	738,453.74
Other comprehensive income, after tax		–	–
Total comprehensive income		<u>137,758,617.43</u>	<u>129,101,568.86</u>
Total comprehensive income attributable to shareholders of the parent company		<u>137,799,706.39</u>	<u>128,363,115.12</u>
Total comprehensive income attributable to non-controlling interests		<u>(41,088.96)</u>	<u>738,453.74</u>
Earnings per share			
Basic and diluted	<i>11</i>	<u>0.13</u>	<u>0.12</u>

CONSOLIDATED BALANCE SHEET

As at 30 June 2024

		As at 30 June 2024 RMB (unaudited)	As at 31 December 2023 RMB (audited)
Assets			
Current assets			
Cash and equivalents		536,073,921.30	500,263,848.63
Notes receivable		4,651,800.00	1,000,000.00
Accounts receivable	13	758,263,842.93	693,160,459.12
Prepayments		129,518,164.85	59,193,472.70
Other receivables		55,434,097.61	56,420,623.13
Inventories	14	72,823,324.79	96,133,952.52
Contract assets		110,446,992.79	117,035,084.73
Other current assets		58,342,755.94	39,790,906.73
Total current assets		1,725,554,900.21	1,562,998,347.56
Non-current assets			
Long-term equity investments		361,396,740.63	369,261,254.81
Other non-current financial assets		170,250.00	170,250.00
Fixed assets	15	3,914,974,578.91	3,888,494,489.50
Disposal of fixed assets		16,797.78	–
Construction in progress		294,516,216.33	277,005,824.43
Right-of-use assets		9,055,136.45	6,889,472.80
Intangible assets		153,828,431.51	156,299,365.47
Long-term prepaid expenses		4,037,424.05	8,430,156.18
Deferred income tax assets		55,198,497.93	55,286,224.84
Total non-current assets		4,793,194,073.59	4,761,837,038.03
Total assets		6,518,748,973.80	6,324,835,385.59

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2024

		As at 30 June 2024 RMB (unaudited)	As at 31 December 2023 RMB (audited)
Liabilities and shareholders' equity			
Current liabilities			
Short-term borrowings		254,693,987.28	150,000,000.00
Notes payable	16	145,279,930.97	149,999,930.97
Accounts payable	17	712,010,166.61	786,663,444.29
Contract liabilities		352,985,272.29	405,318,701.64
Employee benefits payable		99,016,385.71	147,004,535.58
Tax payable		52,513,611.06	72,095,886.54
Other payables		359,867,765.79	159,833,143.25
Non-current liabilities due within one year		<u>23,125,698.50</u>	<u>36,122,122.20</u>
Total current liabilities		<u>1,999,492,818.21</u>	<u>1,907,037,764.47</u>
Non-current liabilities			
Long-term borrowings		380,510,000.00	323,500,000.00
Lease liabilities		3,798,682.06	3,558,682.06
Deferred income		126,766,945.61	126,185,501.51
Deferred income tax liabilities		14,573,656.93	14,735,206.57
Long-term payables		<u>590,600,500.00</u>	<u>545,981,000.00</u>
Total non-current liabilities		<u>1,116,249,784.60</u>	<u>1,013,960,390.14</u>
Total liabilities		<u>3,115,742,602.81</u>	<u>2,920,998,154.61</u>

CONSOLIDATED BALANCE SHEET (Continued)*As at 30 June 2024*

	As at 30 June 2024 RMB (unaudited)	As at 31 December 2023 RMB (audited)
Shareholders' equity		
Share capital	1,074,357,700.00	1,074,357,700.00
Capital reserve	1,081,447,605.75	1,081,447,605.75
Other comprehensive income	–	–
Special reserve	14,040,733.38	12,963,709.80
Surplus reserve	163,408,762.58	163,408,762.58
Undistributed profit	1,021,249,264.39	1,023,116,059.00
Total equity attributable to shareholders of the parent company	<u>3,354,504,066.10</u>	<u>3,355,293,837.13</u>
Non-controlling interests	<u>48,502,304.89</u>	<u>48,543,393.85</u>
Total shareholders' equity	<u>3,403,006,370.99</u>	<u>3,403,837,230.98</u>
Total liabilities and shareholders' equity	<u><u>6,518,748,973.80</u></u>	<u><u>6,324,835,385.59</u></u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1. BASIS OF PREPARATION

Sichuan Energy Investment Development Co., Ltd.* (the “**Company**”) is a joint stock company with limited liability established and domiciled in the People’s Republic of China (the “**PRC**”).

The Company prepares its financial statements on a going concern basis.

These financial statements have been prepared in accordance with the requirements of the China Accounting Standards for Business Enterprises (the “**Accounting Standards for Business Enterprises**”) issued by the Ministry of Finance of the People’s Republic of China (the “**MOF**”) and give a true and complete view of the consolidated financial position of the Company as of 30 June 2024 and the consolidated operating results for the period from January to June 2024.

2. ACCOUNTING POLICIES AND CHANGES

The Group’s current accounting period has no material impact on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not adopted any new standard or interpretation that is not yet effective for the current accounting period.

3. OPERATING REVENUE

(1) Operating revenue

Item	Six months ended 30 June	
	2024	2023
	RMB	RMB
Revenue from principal business	2,263,529,365.84	1,829,746,480.01
Revenue from other business	1,059,247.88	3,639,551.69
Total	<u>2,264,588,613.72</u>	<u>1,833,386,031.70</u>
Including: Revenue from contracts	<u>2,264,588,613.72</u>	<u>1,833,386,031.70</u>

(2) Revenue from contracts of the Group

Type of contracts	Six months ended 30 June	
	2024	2023
	RMB	RMB
Classified by contract type		
Power supply contracts	2,082,428,793.14	1,673,522,074.59
Contracts of power installation projects	176,083,942.32	158,792,317.44
Others	6,075,878.26	1,071,639.67
Total	<u>2,264,588,613.72</u>	<u>1,833,386,031.70</u>
Classified by timing of revenue recognition		
Revenue recognized at a point in time	2,088,504,671.40	1,674,593,714.26
Revenue recognized over time	176,083,942.32	158,792,317.44
Total	<u>2,264,588,613.72</u>	<u>1,833,386,031.70</u>

4. TAXES AND SURCHARGES

	Six months ended 30 June	
	2024	2023
	RMB	RMB
City maintenance and construction tax	2,177,761.43	1,124,436.55
Education surcharge	1,041,914.50	973,232.48
Housing property tax	2,292,774.88	1,978,967.93
Others	3,160,642.41	2,299,674.49
Total	<u>8,673,093.22</u>	<u>6,376,311.45</u>

5. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	<i>RMB</i>	<i>RMB</i>
Interest expense on loans and payables	7,190,291.17	5,127,002.44
Interest expense on lease liabilities	135,668.96	146,611.74
Interest income on deposits	(1,854,374.43)	(3,343,389.57)
Foreign exchange losses/(gains)	174,562.83	(224,847.90)
Other finance costs	977,898.17	688,424.31
	<u>6,624,046.70</u>	<u>2,393,801.02</u>

6. INVESTMENT INCOME/(LOSS)

	Six months ended 30 June	
	2024	2023
	<i>RMB</i>	<i>RMB</i>
Income from long-term equity investments accounted for under cost method	–	–
Income/(loss) from long-term equity investments accounted for under equity method	(6,932,068.91)	(6,947,510.74)
Investment income from financial assets at fair value through profit or loss	–	–
	<u>(6,932,068.91)</u>	<u>(6,947,510.74)</u>

7. CREDIT IMPAIRMENT (LOSS)/GAIN

	Six months ended 30 June	
	2024	2023
	<i>RMB</i>	<i>RMB</i>
Accounts receivable	(2,311,893.25)	3,614,079.67
Other receivables	68,006.24	5,191,440.03
	<u>(2,243,887.01)</u>	<u>8,805,519.70</u>

8. ASSET IMPAIRMENT GAIN

	Six months ended 30 June	
	2024	2023
	<i>RMB</i>	<i>RMB</i>
Fixed assets	–	225,507.83
Loss on doubtful debts	<u>1,548,547.24</u>	<u>–</u>
Total	<u><u>1,548,547.24</u></u>	<u><u>225,507.83</u></u>

9. NON-OPERATING INCOME AND EXPENSES

(1) Non-operating income

	Six months ended 30 June	
	2024	2023
	<i>RMB</i>	<i>RMB</i>
Government grants	165,311.92	15,885,177.88
Others	<u>1,101,276.73</u>	<u>1,953,265.60</u>
Total	<u><u>1,266,588.65</u></u>	<u><u>17,838,443.48</u></u>

(2) Non-operating expenses

	Six months ended 30 June	
	2024	2023
	<i>RMB</i>	<i>RMB</i>
Donations	8,451.01	4,551,889.29
Others	<u>943,199.40</u>	<u>819,236.35</u>
Total	<u><u>951,650.41</u></u>	<u><u>5,371,125.64</u></u>

10. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	<i>RMB</i>	<i>RMB</i>
Income tax for the current period	31,716,360.35	28,507,226.83
Changes in deferred income tax	1,376,393.39	(278,701.34)
Total	<u>33,092,753.74</u>	<u>28,228,525.49</u>

11. EARNINGS PER SHARE

The calculation of basic earnings per Share is based on net profit attributable to ordinary equity Shareholders of the Company of RMB137,799,706.39 (six months ended 30 June 2023: RMB128,363,115.12) and the weighted average number of ordinary Shares of 1,074,357,700 (six months ended 30 June 2023: 1,074,357,700 Shares) in issue during the current interim period. There were no potentially dilutive ordinary Shares for the six months ended 30 June 2024, and therefore, diluted earnings per Share are the same as the basic earnings per Share.

12. DIVIDENDS

(1) Dividends payable to the Shareholders of the Company attributable to the interim period

No interim dividend is declared for the six months ended 30 June 2024 (2023 interim dividend: Nil).

(2) Dividends payable to the Shareholders of the Company attributable to the previous financial year, and approved during the interim period:

	Six months ended 30 June	
	2024	2023
	<i>RMB</i>	<i>RMB</i>
Final dividend approved in respect of the previous financial year of RMB0.13 (2023: RMB0.12) per Share	<u>139,666,501.00</u>	<u>128,922,924.00</u>

13. ACCOUNTS RECEIVABLE

(1) An analysis of accounts receivable by customer type is as follows:

	As at 30 June 2024 RMB	As at 31 December 2023 RMB
Receivable from related companies	14,637,386.45	48,500,946.27
Other customers	<u>900,584,168.19</u>	<u>799,305,331.31</u>
Subtotal	915,221,554.64	847,806,277.58
Less: Allowance for doubtful debts	<u>156,957,711.71</u>	<u>154,645,818.46</u>
Total	<u><u>758,263,842.93</u></u>	<u><u>693,160,459.12</u></u>

(2) Ageing analysis of accounts receivable is as follows:

	As at 30 June 2024 RMB	As at 31 December 2023 RMB
Within 1 year (inclusive of 1 year)	717,699,568.65	637,143,365.56
1 to 2 years (inclusive of 2 years)	54,529,575.53	80,356,895.77
2 to 3 years (inclusive of 3 years)	41,517,324.61	36,729,082.14
Over 3 years	<u>101,475,085.85</u>	<u>93,576,934.11</u>
Subtotal	915,221,554.64	847,806,277.58
Less: Allowance for doubtful debts	<u>156,957,711.71</u>	<u>154,645,818.46</u>
Total	<u><u>758,263,842.93</u></u>	<u><u>693,160,459.12</u></u>

Ageing is counted starting from the date when accounts receivable are recognized.

14. INVENTORIES

Type of inventories	As at 30 June 2024			As at 31 December 2023		
	Book balance	Provision for impairment of inventories	Carrying amount	Book balance	Provision for impairment of inventories	Carrying amount
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Raw materials	72,745,543.58	72,545.53	72,672,998.05	96,106,234.17	72,545.53	96,033,688.64
Low-value consumables	<u>150,326.74</u>	<u>-</u>	<u>150,326.74</u>	<u>100,263.88</u>	<u>-</u>	<u>100,263.88</u>
Total	<u>72,895,870.32</u>	<u>72,545.53</u>	<u>72,823,324.79</u>	<u>96,206,498.05</u>	<u>72,545.53</u>	<u>96,133,952.52</u>

The Group has no inventories for guarantee as at 30 June 2024 (31 December 2023: Nil).

15. FIXED ASSETS

	Plant and buildings <i>RMB</i>	Machinery equipment <i>RMB</i>	Transportation equipment <i>RMB</i>	Office and other equipment <i>RMB</i>	Total <i>RMB</i>
Cost					
Balance as at 1 January 2023	1,357,152,828.39	3,422,591,891.31	41,499,213.03	205,018,061.95	5,026,261,994.68
Purchase	17,785,695.13	42,750,793.72	7,586,444.60	8,518,078.23	76,641,011.68
Transferred from construction in progress	81,179,739.81	868,860,978.85	–	4,529,147.83	954,569,866.49
Disposal or scrap	<u>(4,744,697.86)</u>	<u>(36,569,542.34)</u>	<u>(1,748,328.32)</u>	<u>(1,257,114.82)</u>	<u>(44,319,683.34)</u>
Balance as at 31 December 2023	1,451,373,565.47	4,297,634,121.54	47,337,329.31	216,808,173.19	6,013,153,189.51
Purchase	412,716.40	3,444,559.37	648,755.76	285,067.55	4,791,099.08
Transferred from construction in progress	6,275,496.41	135,432,464.90	–	–	141,707,961.31
Disposal or scrap	<u>–</u>	<u>(12,041,773.37)</u>	<u>(767,050.64)</u>	<u>(2,129,408.40)</u>	<u>(14,938,232.41)</u>
Balance as at 30 June 2024	<u>1,458,061,778.28</u>	<u>4,424,469,372.44</u>	<u>47,219,034.43</u>	<u>214,963,832.34</u>	<u>6,144,714,017.49</u>
Less: Accumulated depreciation					
Balance as at 1 January 2023	464,522,884.72	1,348,179,899.70	29,414,018.37	78,466,304.39	1,920,583,107.18
Depreciation charged during the year	34,793,009.50	128,893,242.92	2,406,620.37	20,427,529.16	186,520,401.95
Depreciation write-off	<u>(1,118,905.62)</u>	<u>(23,958,584.72)</u>	<u>(1,663,121.90)</u>	<u>(1,163,113.59)</u>	<u>(27,903,725.83)</u>
Balance as at 31 December 2023	498,196,988.60	1,453,114,557.90	30,157,516.84	97,730,719.96	2,079,199,783.30
Depreciation charged during the year	17,130,516.09	85,920,571.38	1,325,287.88	10,888,567.11	115,264,942.46
Depreciation write-off	<u>–</u>	<u>(6,535,180.37)</u>	<u>(696,566.24)</u>	<u>(2,019,511.05)</u>	<u>(9,251,257.66)</u>
Balance as at 30 June 2024	<u>515,327,504.69</u>	<u>1,532,499,948.91</u>	<u>30,786,238.48</u>	<u>106,599,776.02</u>	<u>2,185,213,468.10</u>
Less: Impairment provision					
Balance as at 1 January 2023	7,339,285.39	35,104,942.64	157,588.14	124,441.14	42,726,257.31
Charge for the year	4,139,667.33	4,236,030.87	–	30,652.90	8,406,351.10
Written-off on disposal	<u>–</u>	<u>(5,635,186.97)</u>	<u>(16,544.55)</u>	<u>(21,960.18)</u>	<u>(5,673,691.70)</u>
Balance as at 31 December 2023	11,478,952.72	33,705,786.54	141,043.59	133,133.86	45,458,916.71
Charge for the year	–	–	–	–	–
Written-off on disposal	<u>–</u>	<u>(906,307.25)</u>	<u>–</u>	<u>(26,638.98)</u>	<u>(932,946.23)</u>
Balance as at 30 June 2024	<u>11,478,952.72</u>	<u>32,799,479.29</u>	<u>141,043.59</u>	<u>106,494.88</u>	<u>44,525,970.48</u>
Carrying amount					
As at 30 June 2024	<u>931,255,320.87</u>	<u>2,859,169,944.24</u>	<u>16,291,752.36</u>	<u>108,257,561.44</u>	<u>3,914,974,578.91</u>
As at 31 December 2023	<u>941,697,624.15</u>	<u>2,810,813,777.10</u>	<u>17,038,768.88</u>	<u>118,944,319.37</u>	<u>3,888,494,489.50</u>

16. NOTES PAYABLE

	As at 30 June 2024 RMB	As at 31 December 2023 RMB
Bank acceptance bills	–	4,720,000.00
Letter of credit	<u>145,279,930.97</u>	<u>145,279,930.97</u>
Total	<u><u>145,279,930.97</u></u>	<u><u>149,999,930.97</u></u>

17. ACCOUNTS PAYABLE

	As at 30 June 2024 RMB	As at 31 December 2023 RMB
Accounts payable	<u>712,010,166.61</u>	<u>786,663,444.29</u>

As at the end of the Reporting Period, the ageing analysis of accounts payable of the Group, based on the invoice dates, is as follows:

	As at 30 June 2024 RMB	As at 31 December 2023 RMB
Within 1 year (inclusive of 1 year)	654,542,517.54	747,859,299.01
1 to 2 years (inclusive of 2 years)	39,451,167.28	22,644,848.56
2 to 3 years (inclusive of 3 years)	5,288,576.06	7,655,540.99
Over 3 years	<u>12,727,905.73</u>	<u>8,503,755.73</u>
Total	<u><u>712,010,166.61</u></u>	<u><u>786,663,444.29</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Company is a vertically integrated power supplier and service provider in Yibin City, Sichuan Province, with a full power supply value chain covering power generation, distribution and sales. We have a stable user base and a comprehensive network of power supply in Yibin City, which allows us to optimize the balance usage of power resources within our power supply network through efficient allocation of electricity. Our business currently consists of (i) power business, which includes power generation, distribution and sales, and is divided into general power supply business and incremental power transmission and distribution business; and (ii) EECS business, which consists of electrical engineering construction service and sales of electric equipment and materials.

During the first half of 2024, the Company realized operating revenue of RMB2,264.6 million, representing a period-on-period increase of 23.5%. Our total profit was RMB170.9 million, representing a period-on-period increase of 8.6%. During the same period, we achieved net profit of RMB137.8 million, representing a period-on-period increase of 6.7%, and net profit attributable to shareholders of the parent company of RMB137.8 million, representing a period-on-period increase of 7.4%.

As of 30 June 2024, we had and operated a total of 6 hydropower plants with an aggregated installed capacity of 127,030 kW. We also had 3 units of 220 kV substations with a capacity of 1,080,000 kVA, 24 units of 110 kV substations with an aggregated capacity of 1,655,400 kVA and 58 units of 35 kV substations with an aggregated capacity of 616,600 kVA.

Operating Results

The following table sets forth the operating revenue, operating costs, gross profit margin and percentage of changes by business segments for the six months ended 30 June 2023 and 2024.

Business	2024			Six months ended 30 June 2023			Change in percentage (%) / percentage points		
	Operating revenue (RMB)	Operating costs (RMB)	Gross profit margin (%)	Operating revenue (RMB)	Operating costs (RMB)	Gross profit margin (%)	Operating revenue	Operating costs	Gross profit margin
General power supply business	1,929,812,253.14	1,672,422,649.30	13.3	1,509,652,892.30	1,301,746,584.29	13.8	27.8%	28.5%	(0.5)
Incremental power transmission and distribution business	152,616,540.00	144,005,864.51	5.6	163,869,182.29	154,793,654.45	5.5	(6.9%)	(7.0%)	0.1
EECS business ⁽¹⁾	182,159,820.58	149,704,665.58	17.8	159,863,957.11	136,181,113.57	14.8	13.9%	9.9%	3.0
Total	<u>2,264,588,613.72</u>	<u>1,966,133,179.39</u>	13.2	<u>1,833,386,031.70</u>	<u>1,592,721,352.31</u>	13.1	23.5%	23.4%	0.1

Note:

- (1) Includes operating revenue from the sales of electric equipment and materials of RMB6.1 million for the six months ended 30 June 2024.

General Power Supply Business

The following table sets forth the breakdown of operating revenue from our general power supply business by customer category for the periods indicated.

Customer	2024		Six months ended 30 June 2023		Change in percentage	
	Electricity sales (MWh)	Operating revenue (RMB)	Electricity sales (MWh)	Operating revenue (RMB)	Electricity sales (%)	Operating revenue (%)
Household	778,258.97	415,543,531.82	771,500.00	415,242,320.13	0.9	0.1
General industrial and commercial	507,993.03	324,431,841.29	499,889.70	336,307,177.31	1.6	(3.5)
Large industrial	2,320,424.69	1,151,782,231.21	1,532,031.50	724,934,751.64	51.5	58.9
State Grid	10,869.32	1,361,906.59	1,250.50	238,029.57	769.2	472.2
Others	82,571.75	36,692,742.23	62,005.00	32,930,613.65	33.2	11.4
Total	<u>3,700,117.76</u>	<u>1,929,812,253.14</u>	<u>2,866,676.70</u>	<u>1,509,652,892.30</u>	29.1	27.8

Most of our operating revenue for the six months ended 30 June 2024 was derived from our general power supply business, including generation, distribution and sales of power. We generated RMB1,929.8 million of operating revenue from our general power supply business, which accounted for 85.2% of our total operating revenue.

Incremental Power Transmission and Distribution Business

Our operating revenue from incremental power transmission and distribution business mainly consists of electricity retail business outside our normal power supply service area and other power distribution business related to new-energy vehicles. By implementing measures to diversify the industry chain, we generated RMB152.6 million of operating revenue from incremental power transmission and distribution business for the six months ended 30 June 2024, which accounted for 6.7% of our total operating revenue.

EECS Business

We also derived operating revenue from our EECS business, which mainly involves undertaking the engineering construction projects for, and selling electric equipment and materials to, the users and grid companies in our power supply area. For the six months ended 30 June 2024, we generated RMB182.2 million of operating revenue from our EECS business, which accounted for 8.0% of our total operating revenue.

Major Operational Measures

Firstly, we focused on our principal business and reinforced business development. Committed to strengthening power sources, the Company participated in the investor selection process for the Yibin Xuzhou Water Pumping and Storage Project and won the first place. As of June 2024, the distributed photovoltaic power stations constructed with our investments reached an aggregate capacity of approximately 4.8 MW, and the Xingwen County Distributed Natural Gas Power Generation Project will soon commence construction. Besides, dedicated to enhancing power grids, the Company pressed ahead with interconnection with superior power grids, launched upgrade and renovation for facilities and equipment, made constant efforts to optimize grid structure, and improved power supply guarantee capabilities. We also diversified into green energy business. In the first half of the year, we invested and completed the construction of 50 charging piles for electric vehicles, two distributed photovoltaic power projects, one power storage project, and kicked off preparations for comprehensive power stations in, among others, Changning County, Yibin, Junlian County, Yibin and Xingwen County, Yibin. The Company continued to improve service quality and capability. It formulated and distributed work plans for summer demand peaks, which specified key construction projects, capacity increase against grid bottlenecks, equipment maintenance and troubleshooting, scientific power consumption management and emergence response management. In addition, the Company conducted on-grid pre-test and pre-inspection for 105 substations, 116 power transmission and distribution lines and six major hydropower stations, and initiated special treatments against issues including frequent power outage and low-voltage stations, endeavoring to guarantee security, stability and reliable power supply in regional power grids to address demand peaks in summer.

Secondly, the Company cemented the safety bottom line and strengthened risk prevention. It spared no effort in guaranteeing production safety with a steadfast commitment to the principle of “safety foremost, prevention first and integrated management”, pressed ahead with the three-year combat for safety production and normalization of forest fire prevention and control campaign, coordinated disaster prevention and mitigation tasks, revised and developed 21 key safety production management systems, rolled out 117 emergency drills and successfully held the 6th skills competition for employees. Furthermore, we intensified internal risk management and control, issued the Compliance Management Measures, established the compliance management committee of the Company, and continuously improved the Company’s internal control system. We also effectively resolved capital risks, strengthened the management of financial funds, taxation and “accounts receivable and inventories”, scientifically allocated cash flows, innovated on financing methods, and negotiated with banks over financing methods including overdrawn accounts and short-term letters of credit based on the electricity bills settlement cycle gap to effectively reduce financing costs. Moreover, the Company attached great importance to petition and stabilization. It strictly implemented the long-term mechanism of stable and dynamic judgment based on monthly stable and dynamic analysis, quarterly investigation of hidden dangers related to stability, and centralized investigation at essential time slots, and persisted in maintaining stability and resolving dangers in key areas, groups and processes.

Thirdly, the Company spearheaded in operation management and optimized internal control measures. It standardized and materialized authorization of the Board of Directors, focused on the design of the top-level structure, system and mechanism, pulled collective efforts from and coordinated with the Company's Party committee and management to establish a mechanism where the Party committee holds the direction for steady and sustainable growth, the Board of Directors makes scientific and reasonable decisions, and the management conducts efficient and effective implementation, and a corporate governance structure with clear rights and responsibilities, coordinated operation and effective checks and balances. The Company also strengthened the construction of talent team; and constantly optimized the selection, education, management and employment of executive staff based on close analysis of the corporate reform and development needs. In addition, it paid close attention to the deepening and upgrading initiative of state-owned enterprise reform, compiled and issued the implementation plan for in-depth and upgrade of reform, and refined the measures and detailed the blueprint for the 10 major reform guidelines such as corporate layout structure, scientific and technological innovation, key area guarantee, value creation capability, modern governance and Party building, sparing no effort to grasp the key points, shore up areas of weakness, overcome the shortcomings, and effectively improve corporate governance and core competitiveness.

Fourthly, the Company promoted scientific and technological innovation and increased investment in scientific research. Focusing on Yibin's eco-priority, green and low-carbon development strategy, we strengthened the integration of industry-university-research, proactively cooperated with Tsinghua Energy Research Institute, Shandong University and other scientific research institutes to carry out the research on the development of source-network coordinated power grid and urban distribution network. The operation of the Company's first intelligent substation and acquisition of the invention patent of "a bird's nest detection method for transmission towers based on drone inspection" marked a breakthrough in the Company's intelligent substation construction and invention patent.

Fifthly, the Company upheld Party building and strengthened discipline. It carried out in-depth study and education of Party discipline, and effectively transformed the learning achievements of Party discipline education into a powerful driving force to promote comprehensive and strict corporate management. It also strengthened discipline, coordinated the education and rectification of the discipline inspection team, launched accurate special supervision in a down-to-earth manner, and earnestly fulfilled the political responsibility of comprehensive and strict corporate governance.

FINANCIAL REVIEW

Analysis of Key Items in the Consolidated Income Statement

Operating Revenue

Business	Six months ended 30 June	
	2024	2023
	(RMB)	(RMB)
General power supply business	1,929,812,253.14	1,509,652,892.30
Incremental power transmission and distribution business	152,616,540.00	163,869,182.29
EECS business ⁽¹⁾	182,159,820.58	159,863,957.11
Total	<u>2,264,588,613.72</u>	<u>1,833,386,031.70</u>

Note:

- (1) Includes operating revenue from the sales of electric equipment and materials of RMB6.1 million for the six months ended 30 June 2024.

Operating revenue increased by 23.5% from RMB1,833.4 million for the six months ended 30 June 2023 to RMB2,264.6 million for the six months ended 30 June 2024, primarily due to an increase in the scale of general power supply business and EECS business.

General Power Supply Business

Operating revenue generated from general power supply business increased by 27.8% from RMB1,509.7 million for the six months ended 30 June 2023 to RMB1,929.8 million for the six months ended 30 June 2024, primarily due to an increase in the number of large industrial and general industrial and commercial users by 42 and 2,450, respectively during the first half of 2024 as compared with the end of 2023, contributing to an increase in sales of electricity to such customers by 796,496.52 MWh in the first half of 2024. Operating revenue from general power supply business accounted for 82.4% and 85.2% of our total operating revenue for the six months ended 30 June 2023 and 2024, respectively.

Incremental Power Transmission and Distribution Business

Operating revenue generated from incremental power transmission and distribution business decreased by 6.9% from RMB163.9 million for the six months ended 30 June 2023 to RMB152.6 million for the six months ended 30 June 2024, primarily due to a decrease in the scale of incremental power transmission and distribution business in the first half of 2024. Operating revenue from incremental power transmission and distribution business accounted for 8.9% and 6.7% of our total operating revenue for the six months ended 30 June 2023 and 2024, respectively.

EECS Business

Operating revenue generated from undertaking EECS business increased by 13.9% from RMB159.9 million for the six months ended 30 June 2023 to RMB182.2 million for the six months ended 30 June 2024, primarily due to an increase in the scale of EECS business in the first half of 2024. Operating revenue from EECS business accounted for 8.7% and 8.0% of our total operating revenue for the six months ended 30 June 2023 and 2024, respectively.

Operating Costs

Business	Six months ended 30 June	
	2024	2023
	(RMB)	(RMB)
General power supply business	1,672,422,649.30	1,301,746,584.29
Incremental power transmission and distribution business	144,005,864.51	154,793,654.45
EECS business	149,704,665.58	136,181,113.57
Total	<u>1,966,133,179.39</u>	<u>1,592,721,352.31</u>

Operating costs increased by 23.4% from RMB1,592.7 million for the six months ended 30 June 2023 to RMB1,966.1 million for the six months ended 30 June 2024, mainly due to an increase in the scale of general power supply business and EECS business in the first half of 2024.

General Power Supply Business

Operating costs associated with our general power supply business increased by 28.5% from RMB1,301.7 million for the six months ended 30 June 2023 to RMB1,672.4 million for the six months ended 30 June 2024, primarily due to an increase in the scale of general power supply business in the first half of 2024 and a period-on-period increase in power purchase from external parties of 27.6%. Operating costs associated with third-party power supply business accounted for 65.3% and 68.0% of our total operating costs for the six months ended 30 June 2023 and 2024, respectively.

Incremental Power Transmission and Distribution Business

Operating costs associated with our incremental power transmission and distribution business decreased by 7.0% from RMB154.8 million for the six months ended 30 June 2023 to RMB144.0 million for the six months ended 30 June 2024, mainly due to a decrease in the scale of incremental power transmission and distribution business in the first half of 2024.

EECS Business

Operating costs associated with our EECS business increased by 9.9% from RMB136.2 million for the six months ended 30 June 2023 to RMB149.7 million for the six months ended 30 June 2024, primarily due to an increase in the scale of EECS business in the first half of 2024.

Gross Profit and Gross Profit Margin

Business	Six months ended 30 June			
	2024		2023	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB)	(%)	(RMB)	(%)
General power supply business	257,389,603.84	13.3	207,906,308.01	13.8
Incremental power transmission and distribution business	8,610,675.49	5.6	9,075,527.84	5.5
EECS business	32,455,155.00	17.8	23,682,843.54	14.8
Total	<u>298,455,434.33</u>	<u>13.2</u>	<u>240,664,679.39</u>	<u>13.1</u>

As a result of the above, our gross profit increased by 24.0% from RMB240.7 million for the six months ended 30 June 2023 to RMB298.5 million for the six months ended 30 June 2024, which was mainly due to an increase in gross profit generated by general power supply business and EECS business.

General Power Supply Business

The gross profit of our general power supply business increased by 23.8% from RMB207.9 million for the six months ended 30 June 2023 to RMB257.4 million for the six months ended 30 June 2024. The corresponding gross profit margin decreased by 0.5 percentage points from 13.8% for the six months ended 30 June 2023 to 13.3% for the six months ended 30 June 2024, which was mainly due to an increase in the scale of general power supply business while power supplied from the Company's own power grids and interconnected hydropower stations remained relatively stable, leading to external purchase from suppliers with higher prices to cope with the increased scale.

Incremental Power Transmission and Distribution Business

The gross profit of our incremental power transmission and distribution business decreased by 5.1% from RMB9.1 million for the six months ended 30 June 2023 to RMB8.6 million for the six months ended 30 June 2024, primarily due to a decrease in business scale in the first half of 2024. The corresponding gross profit margin remained relatively stable at 5.5% and 5.6% respectively, as at 30 June 2023 and 30 June 2024.

EECS Business

The gross profit of our EECS business increased by 37.0% from RMB23.7 million for the six months ended 30 June 2023 to RMB32.5 million for the six months ended 30 June 2024. The corresponding gross profit margin increased by 3 percentage points from 14.8% for the six months ended 30 June 2023 to 17.8% for the six months ended 30 June 2024, primarily due to an increase in the scale of EECS business in the first half of 2024.

Finance Costs

Finance costs increased by 176.7% from RMB2.4 million for the six months ended 30 June 2023 to RMB6.6 million for the six months ended 30 June 2024, which was mainly due to an increase in interest expenses on account of an increase in average balance of bank loans and a decrease in interest income on account of a decrease in average balance of cash and equivalents in the first half of 2024.

Gain/(Loss) on Investment in Associates

Gain/(loss) on investment in associates remained relatively stable at loss of RMB6.9 million and loss of RMB6.9 million, respectively as at 30 June 2023 and 30 June 2024, which is attributable to the loss of an associate operating in the new energy industry in the first half of 2024, whose settlement cycle remained in the second half of the year.

Income Tax

Income tax expenses were RMB28.2 million and RMB33.1 million for the six months ended 30 June 2023 and 2024, at effective tax rates of 17.9% and 19.4%, respectively.

Net Profit

As a result of the above, net profit increased by 6.7% from RMB129.1 million for the six months ended 30 June 2023 to RMB137.8 million for the six months ended 30 June 2024.

Analysis of Key Items in the Consolidated Balance Sheet

Fixed Assets, Construction in Progress and Right-of-use Assets

	As at 30 June 2024 RMB	As at 31 December 2023 RMB
Fixed assets	3,914,974,578.91	3,888,494,489.50
Construction in progress	294,516,216.33	277,005,824.43
Right-of-use assets	9,055,136.45	6,889,472.80
Total	<u>4,218,545,931.69</u>	<u>4,172,389,786.73</u>

As at 31 December 2023 and 30 June 2024, our fixed assets, construction in progress and right-of-use assets were RMB4,172.4 million and RMB4,218.5 million, respectively, which mainly included plant and buildings, machinery, vehicles, office equipment, projects under construction and right-of-use assets, mainly due to an increase in new power grid construction projects in the first half of 2024.

Intangible Assets

Our intangible assets decreased by 1.6% from RMB156.3 million as at 31 December 2023 to RMB153.8 million as at 30 June 2024, mainly due to customary amortization in the first half of 2024.

Inventories

Our inventories primarily consisted of raw materials, spare parts and others, which amounted to RMB96.1 million and RMB72.8 million as at 31 December 2023 and 30 June 2024, respectively. The following table sets forth a breakdown of our inventories as at the dates indicated:

	As at 30 June 2024 (RMB)	As at 31 December 2023 (RMB)
Raw materials	72,672,998.05	96,033,688.64
Low-value consumables	150,326.74	100,263.88
Total	<u>72,823,324.79</u>	<u>96,133,952.52</u>

Our inventories decreased by 24.2% from RMB96.1 million as at 31 December 2023 to RMB72.8 million as at 30 June 2024, mainly due to increase in inventory turnover via enhanced inventories management in the first half of 2024.

The average turnover days of our inventories (calculated by using the average value of the opening and closing balance of inventories of the relevant period divided by the operating costs for the period, and then multiplied by the number of days in the period) were 10.3 days and 7.7 days as at 30 June 2023 and 2024, respectively.

Receivables

Receivables include notes receivable, accounts receivable, prepayments and other receivables. Our receivables increased by 17.1% from RMB809.8 million as at 31 December 2023 to RMB947.9 million as at 30 June 2024, mainly due to an increase in accounts receivable as a result of increase in operating revenue and increase in prepayments due to the increase in investment projects in the first half of 2024.

Payables

Payables include accounts payable, contract liabilities, employee benefits payable, tax payable and other payables. Our payables stayed relatively stable at RMB1,570.9 million and RMB1,576.4 million, respectively as at 31 December 2023 and 30 June 2024.

The average turnover days of our payables (calculated by using the average value of opening and closing balance of the payables of the relevant period divided by the cost of the period, and then multiplied by the number of days in the period) increased from 137.8 days as at 30 June 2023 to 145.7 days as at 30 June 2024, primarily due to a period-on-period increase in balance of payables as a result of provision of dividends payable for 2023.

Liquidity and Financial Resources

The Group manages its capital to ensure that entities in the Group will be able to continue operating as going concern while maximizing the return to our Shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the year. The capital structure of the Group consists of net debts (which includes borrowings net of cash and cash equivalents) and total equity (comprising paid-in capital/share capital, capital reserve, statutory surplus reserve, retained profits and non-controlling interests). The Group is not subject to any externally imposed capital requirements.

As at 30 June 2024, our cash and cash equivalents amounted to RMB510.1 million (31 December 2023: RMB490.2 million).

As at 30 June 2024, the total borrowings of the Group amounted to RMB803.6 million (31 December 2023: RMB657.4 million), of which short-term borrowing was RMB254.7 million, letter of credit (displayed as notes payable) was RMB145.3 million, other borrowing was RMB23.1 million and long-term borrowing was RMB380.5 million. All of our bank and other borrowings bear interest at floating rates and are denominated in Renminbi.

Gearing Ratio

As at 30 June 2024, the gearing ratio of the Group was 23.7% (31 December 2023: 19.3%). Gearing ratio is calculated based on our total interest-bearing liabilities divided by total equity as at the same date.

Capital Commitments

We have certain capital commitments relating to the construction of power grids. If our management has identified potential capital commitment and has determined that it is likely to make the commitment, we will classify such commitments as authorized but not contracted for.

The following table sets forth our capital commitments outstanding as at the dates indicated:

	As at 30 June 2024 (RMB)	As at 31 December 2023 (RMB)
Contracted for	<u>212,563,981.88</u>	<u>73,852,517.30</u>

Pledges of the Group's Assets

No property, plant and equipment was pledged to banks as at 30 June 2024 (31 December 2023: Nil).

Foreign Exchange Risk

The Group currently is not engaged in any hedging activities aimed at or designed to manage foreign exchange risks. As the Group conducts its business in the PRC, its income and costs/expenses are denominated in RMB. The dividend paid by the Company to H Shareholders is paid in Hong Kong dollars.

Employees and Remuneration Policy

As at 30 June 2024, the Company had a total of 2,694 employees (30 June 2023: 2,790 employees). The related employee costs (including Directors' fees) for the six months ended 30 June 2024 were approximately RMB249.7 million.

The Group continued to press ahead with the “three-system” reform, and has established a total salary allocation system that is linked to the operating results of the Company and a remuneration allocation mechanism that is aligned with the annual and tenure-based objective responsibility letters of the management team and linked to the performance appraisal results of employees, so as to give full play to the incentive and constraint role of remuneration and activate the enthusiasm, initiatives and creativity of employees.

The Group has also provided employees with adequate job training, and has formulated annual training plan for the Company at different levels and categories in terms of the Party building and discipline inspection, safety education, production technologies, business knowledge, continuing education, and comprehensive management, and has studied and revised the Measures for the Management of Education and Training of Sichuan Energy Investment Development Co., Ltd.* to ensure the orderly implementation of training programs according to the plan, continuously strengthen the investment in staff training and education, and promote the individual growth and capacity improvement of employees. To attract outstanding employees, the remuneration committee under the Board regularly reviews employees' remuneration policies and benefits.

During the Reporting Period, no labor disputes had occurred in the Company and its subsidiaries which would affect the operations of the Group.

Share Option Scheme

During the six months ended 30 June 2024, the Company did not have any share option scheme.

Contingent Liabilities

As at 30 June 2024, the Group did not have any contingent liabilities (31 December 2023: Nil).

Significant Investments Held, Material Acquisitions and Disposals

During the six months ended 30 June 2024, the Group did not have any significant investments (including any significant investment accounting for 5% or more of the Group's total assets as of 30 June 2024), nor was there material acquisition or disposal of subsidiaries, associates or joint ventures by the Group.

Interim Dividend

The Board does not recommend the declaration of any interim dividend in respect of the six months ended 30 June 2024 (2023 interim dividend: Nil).

Global Offering and Use of Proceeds from Global Offering

The Company was listed on the Stock Exchange on 28 December 2018 and issued 268,800,000 H Shares with a nominal value of RMB1.00 each at HK\$1.77 per Share (the “**Global Offering**”). Net proceeds from the Global Offering were approximately RMB380.5 million. As at 30 June 2024, the Group has used the proceeds from the Global Offering of approximately RMB341.4 million in accordance with the relevant disclosure in the prospectus of the Company dated 13 December 2018 (the “**Prospectus**”), and the unused proceeds amounted to approximately RMB39.1 million. Use of proceeds is as follows:

Use of proceeds as disclosed in the Prospectus	Percentage of total net proceeds from the initial public offering (as set out in the Prospectus)	Planned use of net proceeds from the initial public offering (as set out in the Prospectus) (RMB'000)	Amount unused as at 1 January 2024 (RMB'000)	Amount used for the Reporting Period (RMB'000)	Amount unused as at 30 June 2024 (RMB'000)	Estimated schedule ⁽¹⁾
Acquisition of power-related assets	40%	152,193	36,993	0	36,993	2024
Power grid construction and optimization	30%	114,145	–	–	–	N/A
Establishment of centralized power dispatching control center and promotion of intelligent power grid system	20%	76,097	–	–	–	N/A
Working capital	10%	38,048	2,625	508	2,117	2030
Total	100%	380,483	39,618	508	39,110	

Note:

- (1) The estimated schedule for utilizing the remaining proceeds is based on the best estimation made by the Group of future market conditions and may change with the current market conditions and future developments.

As at 30 June 2024, the unused net proceeds from the Global Offering for each business strategy mentioned in the above table have been deposited as deposits in licensed banks in China, and have been and are expected to be used as previously disclosed in the Prospectus. Save for the relevant disclosure in the Company’s 2023 Annual Report, there have been no major changes or delays in the use or timeline for use of the net proceeds of the Company.

Future Plan for Material Investments and Capital Assets

We plan to expedite the construction of the high pressure level power grids, including the investment in the construction of the Xuzhou District Tiangong 35 kV power transmission and distribution project, the Xingwen County Qilin 35 kV power transmission and distribution project, the Xingwen County Xinhe 35 kV power transmission and distribution project, the Junlian County Qianfeng 110 kV power transmission and distribution project and the Ziyang-Fuxing 110 kV line project. We also plan to build 35km 110 kV lines, three 35 kV substations and add five 35 KV additional main transformers with a capacity of 156,000 kVA. The total investment is approximately RMB240 million, which shall be funded as to 40% by the Group's own capital funds and 60% by bank loans. We will endeavor to complete the main project by the end of June 2025 in order to improve the power supply and support capabilities, operational efficiency and service level of the regional power grid.

Important Events Subsequent to the Reporting Period

There are no material events affecting the Company or any of its subsidiaries subsequent to the Reporting Period and up to the date of this announcement.

OUTLOOK

In the first half of 2024, the Group continued to expand power sources, strengthened power grids, penetrated into green energy business, promoted scientific and technological innovation, reinforced risk prevention and control, and improved its service capabilities to achieve stable operating performance. The Group will focus on the following key tasks in the second half of the year:

(1) Focus on Key Areas and Promote the Implementation of Strategic Planning

Firstly, the Company will gather strength to reinforce the core business, grasp the focus of strategic objectives, continuously expand the scale of power sources, expedite the construction of water pumping and storage project in Xuzhou and natural gas power generation project in Xingwen County, comprehensively promote the hydro-solar complementary project, tea-solar complementary project and distributed photovoltaic project on the roof of the park, and promote the construction of a diversified, adequate and reliable power supply system. In addition, it will accelerate the construction of major power grid projects in the regional power grid, solidly carry out regional power grid operation management, mode management, power quality management, economic operation management and load forecasting, strengthen the digital and intelligent application of power grids, and make every effort to build a regional smart green power system. Secondly, the Company will comprehensively penetrate into the green energy business, and promote in-depth cooperation between government and the enterprise based on the “Electric Yibin” action plan. Subsidiaries of the Company operating in the green energy industry should proactively seize high-quality energy resources and deepen business planning, personnel management and mechanism operation capabilities. Thirdly, it will improve capital operation capabilities with solid paces, give full play to the comprehensive advantages of the listed platform and the experience and technical advantages of power operation management, seek high-quality projects along the upstream and downstream of the energy industry, and strengthen management following equity investment. Fourthly, the Company will facilitate the construction business to “go out of Yibin”, make full use of Chengdu’s regional resource advantages, actively explore high-quality projects such as power engineering construction, labor service construction and small car rental, continue to expand market share, and create new growth drivers for the Company.

(2) Strengthen Safety Production to Guarantee Stable and Smooth Production and Operation

Firstly, the Company will earnestly promote the three-year action of tackling the root cause in safety production, strengthen the implementation of the safety production responsibility of all employees, reinforce each process of safety production, and continuously improve safety management capacity. Secondly, it will carry out the normalized management of forest fire prevention and extinguishing, strictly follow the requirements of accurate prevention and control by zoning and grading, and combine manpower defense, physical defense and technical defense to prevent risk spillover. Thirdly, the Company will focus on the safety management of projects under construction, intensify safety publicity and education, and ensure the stability of safety production in engineering construction. Fourthly, it will pay attention to risk changes, strictly implement the comprehensive risk management reporting system, and improve the compliance management and investment.

(3) Boost Corporate Governance and Ensure Lean Operation to Improve Quality and Efficiency

Firstly, the Company will press ahead with state-owned enterprise reform, make relentless efforts to grasp key points, overcome shortcomings and shore up weak areas, continuously improve the decision-making mechanism, vigorously develop new quality productive forces, and effectively improve corporate governance and core competitiveness. Secondly, it will deepen human resource management, tap into the organizational potential of the energy sector, and accelerate the “two-wing” industrial layout of comprehensive energy sector. Furthermore, the Company will continue to optimize the market-oriented selection and employment mechanism, constantly optimize the Company’s remuneration distribution mechanism, and make overall plans for the selection and cultivation of internal trainers at the company level, the training of new recruits, the application and evaluation of professional titles, and the skill level training and evaluation of technicians and senior technicians. Thirdly, it will strengthen the management of financial assets, actively expand financing channels, innovate on financing methods, reduce capital costs, increase capital gains, and raise M&A funds based on investment progress. In addition, it will continue to carry out the special task of reducing “accounts receivable and inventories”, promote control at source, and ensure that the growth rate of “accounts receivable and inventories” does not exceed that of operating revenue. Fourthly, the Company will attach great importance to scientific and technological innovation, organize scientific and technological projects such as study of prevention and control measures of turbine stator core looseness, noise reduction measures of substations and application research of smart substations, so as to vigorously develop the “four new” technologies and solidly promote the construction of a modern industrial system. Fifthly, it will deepen internal control and governance, strictly implement the institutional arrangements for research of major issues by Party organizations first, continuously standardize the operation of the Board of Directors, and lay a solid foundation for the Company’s stable, sustainable and high-quality development.

(4) Uphold the Leadership of the Party and Promote the Integration of Party Building and Business Development

Firstly, the Company will strengthen theoretical empowerment. It will carry out in-depth study and education on Party discipline, continue to focus on the study, propaganda and implementation of the spirit of the Third Plenary Session of the Twentieth CPC Central Committee and the 12th Party Congress of the Provincial Party Committee, consolidate the transformation of the achievements of thematic education, and gather strong forces to promote development. Secondly, the Company will strengthen the construction of talent team, and continue to deliver on the “selection, management, education and employment” of executives and talents, in a bid to provide strong talent support for the Company’s high-quality development. Thirdly, it will strengthen the construction of Party conduct, systematically implement the requirements of governing the Party in an all-round and strict way. The Party committee shall fully perform its main responsibilities and the discipline commission shall fully perform its supervisory responsibilities to continuously strengthen the publicity, education and guidance of the Party’s conduct, and accelerates the rectification of issues identified in upholding discipline.

CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2024, the Company had complied with all the code provisions of the Corporate Governance Code set out in part 2 of Appendix C1 to the Listing Rules and had adopted most of the recommended best practices as set out in part 2 of Appendix C1 to the Listing Rules.

COMPLIANCE WITH CODE PROVISIONS OF THE MODEL CODE BY DIRECTORS AND SUPERVISORS

The Company has also adopted the Model Code set out in Appendix C3 of the Listing Rules as its code of conduct regarding securities transactions by the Directors and supervisors. Having made specific enquiries with all Directors and supervisors, all Directors and supervisors confirmed that they have complied with the required standards set out in the Model Code regarding securities transactions by directors and supervisors during the six months ended 30 June 2024.

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

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities (including sale of treasury shares (as defined under the Listing Rules), if any) of the Company. The Company does not have any treasury shares as at 30 June 2024.

SUFFICIENCY OF PUBLIC FLOAT

During the six months ended 30 June 2024, based on the information that was publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the minimum public float required under the Listing Rules.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.com.hk) and the Company (www.scntgf.com). The interim report for the six months ended 30 June 2024 containing all the information required by the Listing Rules will be available on the same websites in due course.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Articles of Association” or “Articles”	the articles of association of the Company adopted by the written resolution of the Shareholders on 16 May 2017 and as amended, supplemented and otherwise modified from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”	Sichuan Energy Investment Development Co., Ltd.* (四川能投發展股份有限公司) (stock code: 1713), a joint stock company established in the PRC with limited liability on 29 September 2011
“Corporate Governance Code”	the Corporate Governance Code as contained in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic ordinary Share(s) in the Company’s registered capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and held by PRC nationals or PRC-incorporated entities, and are not listed or traded on any stock exchange
“EECS business”	electrical engineering construction service and related business, which includes the construction, installation, testing and maintenance of power facilities and related sales of electric equipment and materials
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“H Share(s)”	the ordinary Share(s) in issue in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange

“HK\$” and “HK cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“kV”	kilovolt, a unit of voltage, which is equal to one thousand volts
“kVA”	kilovolt-ampere, the standard for measuring power
“kW”	kilowatt, which is equal to one thousand watts
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
“MWh”	megawatt-hour, which is equal to one thousand kilowatt hours
“Reporting Period”	the period from 1 January 2024 to 30 June 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary Share(s) of RMB1.00 each in the share capital of the Company, including H Shares and Domestic Shares
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in Section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“%”	per cent.

By order of the Board
Sichuan Energy Investment Development Co., Ltd.*
He Jing
Chairman

Chengdu, Sichuan Province, the PRC, 28 August 2024

As at the date of this announcement, the executive Directors are Mr. He Jing, Mr. Wang Yuanchun and Ms. Xie Peixi; the non-executive Directors are Ms. Han Chunhong, Mr. Tao Xueqing, Mr. Gao Bin, Mr. Kong Ce and Mr. Zhao Gen; and the independent non-executive Directors are Mr. Siu Chi Hung, Mr. Chen Chuan, Mr. Mou Yingshi, Prof. Li Jian and Ms. He Yin.

* For identification purposes only