CONCORD NEW ENERGY

Concord New Energy Group Limited
協合新能源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 182)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

The board of directors (the "Directors") of Concord New Energy Group Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2022, together with the comparative figures for the corresponding period in 2021. These consolidated financial statements are unaudited but have been reviewed by the Company's audit committee.

**for identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022 – Unaudited

	Notes	2022 RMB'000	2021 RMB'000 (Restated)
Revenue	2,3	**1,339,182**	973,014
Cost of sales and services rendered		**(542,636)**	(334,363)
Gross profit		**796,546**	638,651
Other income	4	**25,981**	25,462
Other gains and losses, net	5	**30,132**	(732)
Impairment losses under expected credit loss model, net of reversal	6	**-**	10,830
Distribution and selling expenses		**(6,894)**	(5,859)
Administrative expenses		**(187,085)**	(135,091)
Finance costs	7	**(257,004)**	(208,255)
Share of profit of joint ventures, net		**104,212**	112,348
Share of profit of associates, net		**7,241**	7,476
Profit before income tax		**513,129**	444,830
Income tax expense	8	**(42,932)**	(27,028)
Profit for the period		**470,197**	417,802
Profit or the period attributable to:			
Equity shareholders of the Company		**443,179**	404,344
Non-controlling interests		**27,018**	13,458
		470,197	417,802
Earnings per share			
Basic *(RMB cents)*	9(a)	**5.01**	4.91
Diluted *(RMB cents)*	9(b)	**4.99**	4.87

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2022 – Unaudited

	2022	2021
	RMB'000	*RMB'000*
		(Restated)
Profit for the period	**470,197**	417,802
Other comprehensive income:		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**15,661**	4,088
Other comprehensive income for the period, net of tax	**15,661**	4,088
Total comprehensive income for the period	**485,858**	421,890
Total comprehensive income attributable to:		
Equity shareholders of the Company	**460,250**	408,148
Non-controlling interests	**25,608**	13,742
	485,858	421,890

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2022 – Unaudited

	Notes	**30 June 2022** *Unaudited* ***RMB'000***	31 December 2021 *Audited* *RMB'000* (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment		**12,621,200**	11,849,709
Right-of-use assets		**532,304**	530,534
Intangible assets		**792,834**	817,455
Interests in associates		**517,270**	510,030
Interests in joint ventures		**1,377,413**	1,273,201
Financial assets at fair value through profit or loss		**63,553**	76,631
Prepayments, deposits and other receivables		**1,869,849**	1,354,914
Finance lease receivables		**130,566**	91,426
Loan receivables		**52,231**	49,663
Deferred tax assets		**42,982**	37,738
		18,000,202	16,591,301
Current assets			
Inventories		**30,376**	27,679
Contract assets	*11*	**386,616**	345,848
Trade and bills receivable	*12*	**1,712,866**	1,795,948
Prepayments, deposits and other receivables		**736,346**	981,583
Finance lease receivables		**21,823**	17,171
Loan receivables		**15,673**	9,909
Amounts due from associates		**82,911**	84,758
Amounts due from joint ventures		**32,619**	29,184
Financial assets at fair value through profit or loss		**276,282**	10,000
Cash and cash equivalents		**3,258,167**	3,510,470
Restricted deposits		**1,095,739**	640,967
		7,649,418	7,453,517
Assets classified as held for sale	*13*	**1,170,377**	-
		8,819,795	7,453,517
Total assets		**26,819,997**	24,044,818
LIABILITIES			
Non-current liabilities			
Bank borrowings		**1,092,488**	765,496
Other borrowings		**9,193,052**	8,786,142
Senior notes		**573,849**	544,107
Lease liabilities		**106,646**	77,066
Deferred tax liabilities		**38,150**	38,089
Deferred government grants		**5,040**	5,215
Payables for construction in progress, other payables and accruals		**499,786**	541,364
Financial guarantee contract liabilities		**17,619**	17,115
		11,526,630	10,774,594

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*
As at 30 June 2022 – Unaudited

	Notes	**30 June 2022** *Unaudited* ***RMB'000***	31 December 2021 *Audited* *RMB'000* (Restated)
Current liabilities			
Trade and bills payable	*14*	**1,609,006**	1,078,538
Payables for construction in progress, other payables and accruals		**3,083,267**	3,016,253
Contract liabilities		**160,960**	139,301
Amounts due to associates		**204**	-
Amounts due to joint ventures		**157**	155
Bank borrowings		**1,003,269**	526,106
Other borrowings		**606,892**	861,763
Senior notes		**17,925**	17,029
Lease liabilities		**12,118**	11,411
Financial guarantee contract liabilities		**7,535**	7,319
Current income tax liabilities		**33,477**	49,462
		6,534,810	5,707,337
Liabilities associated with assets classified as held for sale	*13*	**925,683**	**-**
		7,460,493	5,707,337
Total liabilities		**18,987,123**	16,481,931
Net current assets		**1,359,302**	1,746,180
Total assets less current liabilities		**19,359,504**	18,337,481
Net assets		**7,832,874**	7,562,887
EQUITY			
Share capital	*15*	**77,443**	77,499
Reserves		**7,563,407**	7,336,427
Total equity attributable to equity shareholders of the Company		**7,640,850**	7,413,926
Non-controlling interests		**192,024**	148,961
Total equity		**7,832,874**	7,562,887

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Basis of preparation and presentation

The unaudited consolidated financial statements of the Company and its subsidiaries (together the "Group") for the six months ended 30 June 2022 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2021.

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2022.

Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to HKAS 37	*Onerous Contracts — Cost of Fulfilling a Contract*

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

The table below summarizes the items affected in the Group's Consolidated statement of financial position for the year ended 31 December 2021 and the Consolidated statement of profit and loss for the six months ended 30 June 2021, applicable to HKAS 16. Unaffected items are not included.

	As reported	Adjustments	Restated
	RMB'000	*RMB'000*	*RMB'000*
Impact on the consolidated statement of financial position			
Property, plant and equipment	11,840,303	9,406	11,849,709
Reserves	7,327,369	9,058	7,336,427
Non-controlling interests	148,613	348	148,961
Impact on the consolidated statement of profit or loss			
Revenue	970,259	2,755	973,014
Cost of sales and services rendered	(332,739)	(1,624)	(334,363)
Gross profit	637,520	1,131	638,651
Profit before income tax	443,699	1,131	444,830
Profit for the period	416,671	1,131	417,802

2 Segment information

Business segments

The management has determined the operating segments based on the internal reports reviewed and used by executive directors of the Company, who are the chief operating decision markers ("CODM"), for strategic decision making.

The CODM considers the business from a product and service perspective. The Group is organised into certain business units according to the nature of the products sold or services provided. The CODM reviews operating results and financial information of each business unit separately. Accordingly, each business unit (including joint ventures and associates) is identified as an operating segment. These operating segments with similar economic characteristics and similar nature of products sold or services provided have been aggregated into the following reporting segments:

- Power generation segment – operation of wind and photovoltaic (PV) power plants through subsidiaries, generating electric power for sale to external power grid companies, investing in power plants through joint ventures and associates;

- Intelligent operation and maintenance segment – provision operation and maintenance, asset management, overhaul and commissioning service for wind and PV power plants;

- “Others” segment – provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects (the "engineering, procurement and construction business"), provision of finance lease services and energy internet services.

The CODM assesses the performance of the operating segments based on a measure of adjusted earnings before interest and income tax. This measurement basis excludes the effects of non-recurring income and expenditure from the operating segments.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to the third parties at the then prevailing market prices.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' remuneration, certain other gains and losses, certain other income, finance income and finance costs.

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to operating segments other than assets and liabilities attributable to head office.

	Power generation	Intelligent operation and maintenance	Others	Segment total	Elimination	Total
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
For the six months ended 30 June 2022						
Segment revenue						
Sales to external customers*	**1,044,201**	**115,718**	**179,263**	**1,339,182**	**-**	**1,339,182**
Inter-segment revenues	**-**	**36,739**	**107,451**	**144,190**	**(144,190)**	**-**
	1,044,201	**152,457**	**286,714**	**1,483,372**	**(144,190)**	**1,339,182**
Segment results	**704,016**	**16,254**	**4,100**	**724,370**		**724,370**
Unallocated other gains and losses, net						**30,132**
Unallocated income						**6,522**
Unallocated expenses						**(1,405)**
Finance income						**10,514**
Finance costs						**(257,004)**
Profit before income tax						**513,129**
Income tax expense						**(42,932)**
Profit for the year						**470,197**
As at 30 June 2022						
Segment assets	**24,005,192**	**312,683**	**2,328,310**	**26,646,185**		**26,646,185**
Unallocated assets						**173,812**
Total assets						**26,819,997**
Segment liabilities	**(16,962,972)**	**(107,765)**	**(1,286,192)**	**(18,356,929)**		**(18,356,929)**
Unallocated liabilities						**(630,194)**
Total liabilities						**(18,987,123)**

**Revenue from power generation comprised revenue generated from wind power plants and PV power plants of RMB 886,417,000and RMB157,784,000 respectively.*

	Power generation	Intelligent operation and maintenance	Others	Segment total	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the six months ended 30 June 2021						
(Restated)						
Segment revenue						
Sales to external customers*	868,095	92,064	12,855	973,014	-	973,014
Inter-segment revenues	-	24,611	216,254	240,865	(240,865)	-
	868,095	116,675	229,109	1,213,879	(240,865)	973,014
Segment results	657,327	2,679	(37,052)	622,954		622,954
Unallocated other gains and losses, net						10,098
Unallocated income						13,793
Unallocated expenses						(5,429)
Finance income						11,669
Finance costs						(208,255)
Profit before income tax						444,830
Income tax expense						(27,028)
Profit for the year						417,802
As 31 December 2021						
(Restated)						
Segment assets	21,284,614	320,156	2,236,737	23,841,507		23,841,507
Unallocated assets						203,311
Total assets						24,044,818
Segment liabilities	(14,909,021)	(127,663)	(1,060,252)	(16,096,936)		(16,096,936)
Unallocated liabilities						(384,995)
Total liabilities						(16,481,931)

**Revenue from power generation comprised revenue generated from wind power plants and PV power plants of RMB773,941,000 and RMB94,154,000 respectively.*

3 Revenue

An analysis of the Group's revenue for six months is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000* (Restated)
Revenue from contracts with customers:		
Sales of electricity:		
Basic electricity price	**822,767**	580,719
Renewable energy subsidy	**221,434**	287,376
Engineering, procurement and construction	**169,439**	10,847
Power plant operation and maintenance services	**102,647**	80,892
Provision of design services	**5,401**	2,958
Provision of technical and consultancy services	**5,184**	4,933
Other revenue	**619**	108
	1,327,491	967,833
Finance lease income	**11,691**	5,181
Total revenue	**1,339,182**	973,014

4 Other income

An analysis of the Group's other income for six months ended 30 June is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
Interest income	**10,514**	11,669
Government grants：		
— Tax refunds	**9,153**	4,936
— Others	**1,108**	1,857
Renewable energy certificate income	**3,299**	-
Rental income	**1,026**	704
Others	**881**	6,296
	25,981	25,462

5 Other gains and losses, net

An analysis of other gains and losses, net is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
Gain / (loss) on disposal / de-registration of subsidiaries, net	**2,472**	(2,892)
Loss on disposal of joint ventures	**-**	(6,552)
Fair value gains on financial assets at fair value through profit or loss ("FVTPL")	**28,372**	56,528
Fair value loss on derivative component of convertible loan	**-**	(37,411)
Exchange gain / (loss), net	**1,323**	(1,653)
Loss on disposal of property, plant and equipment	**(82)**	(287)
Others	**(1,953)**	(8,465)
	30,132	(732)

6 Impairment losses under expected credit loss model, net of reversal

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
Impairment loss reversed on trade receivable	**-**	(5,276)
Impairment loss reversed on other receivables	**-**	(5,554)
	-	(10,830)

7 Finance costs

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
Interest expenses on:		
— Bank borrowings	**27,296**	28,804
— Other borrowings	**266,568**	184,335
— Senior notes	**32,131**	36,251
— Convertible loan	**-**	21,583
— Lease liabilities	**2,979**	1,688
	328,974	272,661
Less: Interest capitalised	**(71,970)**	(64,406)
	257,004	208,255

8 Income tax expense

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
Current tax		
— People's Republic of China (the "PRC") corporate income tax	**36,654**	27,669
— PRC withholding tax	**10,646**	7,099
Under-provision/(over-provision) in prior years		
— PRC corporate income tax	**814**	(1,118)
Deferred tax	**(5,182)**	(6,622)
	42,932	27,028

9 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company RMB443,179,000 (the corresponding period of 2021: RMB404,344,000) by the weighted average number of 8,847,086,000 (the corresponding period of 2021: 8,235,351,000) ordinary shares in issue during the period, after adjusting the effect of shares repurchased and held by the Company's share award scheme.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares from the share award scheme and the convertible loan.

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000* (Restated)
Earnings:		
Earnings for the purpose of basic earnings per share	**443,179**	404,344
Earnings for the purpose of diluted earnings per share	**443,179**	404,344
	000'shares	*000'shares*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**8,847,086**	8,235,351
Effect of dilutive potential ordinary shares:		
Share award scheme	**42,982**	70,413
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**8,890,068**	8,305,764

10 Dividend

During the current interim period, a final dividend of HK$0.03 per ordinary share in respect of the year ended 31 December 2021 (the year ended 31 December 2020: HK$0.03) was declared to the owners of the Company. The aggregate amount of final dividend declared in the current interim period equivalent to approximately RMB230,272,000 (the corresponding period of 2021: RMB208,857,000). The dividend has been paid on 29 July 2022 (2021: 18 June 2021).

The directors of the Company have determined that no dividend will be paid in respect of the interim period (the corresponding period of 2021: nil).

11 Contract Assets

	30 June 2022	31 December 2021
	RMB'000	*RMB'000*
Tariff adjustment receivable	**90,144**	62,696
Retention money	**282,354**	254,758
Construction contracts	**14,118**	28,394
	386,616	345,848
Analysed for reporting purposes as:		
Current assets	**386,616**	345,848
Non-current assets	**-**	-
	386,616	345,848

12 Trade and bills receivable

	30 June 2022	31 December 2021
	RMB'000	*RMB'000*
Trade receivable, at amortised cost	**457,706**	444,791
Tariff adjustment receivable, at amortised cost	**1,224,555**	1,270,491
Bills receivable, at FVTPL	**33,696**	85,164
	1,715,957	1,800,446
Impairment loss on trade receivable	**(3,091)**	(4,498)
	1,712,866	1,795,948

As at 30 June 2022, the ageing analysis of the trade receivable, net of impairment loss on trade receivable, presented based on invoice date, is as follows:

	30 June 2022	31 December 2021
	RMB'000	*RMB'000*
Within 3 months	**222,468**	321,425
3 to 6 months	**126,619**	83,135
6 to 12 months	**74,306**	18,084
1 to 2 years	**17,352**	5,877
Over 2 years	**13,870**	11,772
	454,615	440,293

The Group's credit terms granted to customers ranging from 30 to 180 days, except for tariff adjustment receivable recognised by the power plants which have not been included in the Catalogue. On certain construction revenue and equipment sales projects, the Group generally grants project final acceptance period and retention period to its customers ranging from 1 to 2 years from the date of acceptance according to the sales agreements signed between the Group and customers.

As at 30 June 2022, the ageing analysis of the tariff adjustment receivable, based on the revenue recognition date, is as follows:

	30 June 2022	31 December 2021
	RMB'000	*RMB'000*
Within 3 months	**91,738**	155,023
3 to 6 months	**95,573**	174,391
6 to 12 months	**196,519**	246,371
1 to 2 years	**306,976**	351,220
Over 2 years	**533,749**	343,486
	1,224,555	1,270,491

13 Assets / liabilities classified as held for sale

During the current interim period, the Group decided to dispose of its controlling equity interests in certain subsidiaries, which are mainly engaged in wind power plant operations. Given the consideration that net proceeds from the disposal may exceed the net value of assets and liabilities, no impairment loss was recognized.

As at 30 June 2022, the assets and liabilities attributable to these subsidiaries, which were expected to be sold within twelve months, have been classified as held for sales and are presented separately in the consolidated statement of financial position:

	30 June 2022
	RMB'000
Property, plant and equipment	**786,204**
Right-of-use assets	**35,847**
Intangible assets	**24,572**
Prepayments, deposits and other receivables	**25,762**
Trade and bills receivable	**272,879**
Cash and cash equivalents	**25,113**
Assets classified as held for sale	**1,170,377**
Other borrowings	**914,254**
Trade payable	**1,020**
Current income tax liabilities	**1,070**
Other payables and accruals	**9,339**
Liabilities associated with assets classified as held for sale	**925,683**

The above assets/liabilities classified as held for sale excluded the net receivable due from intra-group entities as at 30 June 2022 totalling RMB71,218,000.

14 Trade and bills payable

	30 June 2022	31 December 2021
	RMB'000	*RMB'000*
Trade payable	**507,400**	473,568
Bills payable	**1,101,606**	604,970
	1,609,006	1,078,538

As at 30 June 2022, the ageing analysis of the trade payable, based on invoice date, is as follows:

	30 June 2022	31 December 2021
	RMB'000	*RMB'000*
Within 3 months	**137,747**	66,186
3 to 6 months	**65,940**	44,233
6 to 12 months	**24,998**	2,451
1 to 2 years	**2,397**	10,069
Over 2 years	**276,318**	350,629
	507,400	473,568

15 Share capital

Ordinary shares issued of HK$0.01 each:

	No. of shares	Nominal value
	000' shares	*RMB'000*
As at 1 January 2022:	8,985,329	77,499
Cancellation of ordinary shares	**(67,460)**	**(549)**
Issue of ordinary shares	**57,600**	**493**
As at 30 June 2022:	**8,975,469**	**77,443**

Note:

Treasury shares

As at 30 June 2022, 131,600,000 ordinary shares are held as treasury shares of the Company (31 December 2021: 152,020,000 shares).

16 Events after the end of the reporting period

On 21 June 2022, the Company made an announcement for a possible off-market share buy-back of no more than 449,000,000 ordinary shares of the Company held by Huadian (the "Proposed Share Buy-back"), and the Proposed Share Buy-back shall be subject to the approval of the shareholders of the Company.

A circular was sent to the shareholders of the Company on 20 July 2022, and a special general meeting of the Company will be held on 15 August 2022 to approve the Proposed Share Buy-back.

For more details on the Proposed Share Buy-back, please refer to the Company's announcement and circular dated 21 June 2022 and 20 July 2022 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

I. Operating Environment

Since the beginning of 2022, the international environment has become more complicated than in 2021, with the Russia-Ukraine conflict coupled with a new round of epidemic outbreaks, bringing huge impacts on global politics, trade and economy, energy and finance, the global economy has slowly recovered. The European energy crisis triggered by the Russia-Ukraine conflict has also accelerated the global energy transformation, which will fundamentally reshape the global energy landscape. There is a global consensus that renewable energy will become the mainstay of future energy growth.

On 1 June 2022, the PRC government released the 14th Five-Year Plan for Renewable Energy Development, specifying that the annual renewable energy generation will reach approximately 3.3 trillion kilowatt hours by 2025. During the 14th Five-Year Plan period, renewable energy generation will account for more than 50% of the increase in electricity consumption across of the society, and the amount of wind and solar power generation will double.

In the first half of 2022, the installed capacity of wind and PV power still achieved a substantial growth despite the continued impact of the epidemic. According to the statistics of National Energy Administration of China, as of the end of June 2022, China's installed wind power capacity was approximately 340 GW, representing a year-on-year increase of 17.2%, and the installed capacity of solar power generation was approximately 340 GW, representing a year-on-year increase of 25.8%. From January to June, the average utilization hours of wind power in China was 1,154 hours, representing a decrease of 58 hours compared with the same period of previous year. The average utilization hours of PV power in China reached 690 hours, representing a year-on-year increase of 30 hours.

(1) As Technology Continued to Advance, Wind Power Equipment Prices Remained Low.

During the reporting period, wind turbines continued to develop in the direction of larger capacity, taller towers and longer blades. In terms of price, although raw material prices have been fluctuating, the bidding prices of wind turbines have remained below RMB2,000/kW since early 2022, reaching a historical low level. It is anticipated that the price of wind turbines will remain low in the second half of the year.

PV power technology continued to develop towards larger silicon wafers and higher power modules. The more advanced N-type cell technology has been moving towards industrialization, which will help reduce the land use cost of PV power plants, thus increasing the revenue of power generation. 2022 has seen strong demand for modules home and abroad, coupled with rising costs, resulting in high unit price. However, it will enter a downward path after the release of production capacity of PV materials in the future.

(2) The Rapid Development of Energy Storage Facilitated the Consumption New Energy

In the first half of 2022, China introduced a number of domestic policies on new energy storage successively, which clarify that new types of energy storage can participate in the power market independently, promoting the scale, industrialization and market development of new energy storage. As the energy transformation continues to advance, the increased penetration of wind and solar power will also bring higher demand for energy storage. In the first half of 2022, there was a significant increase in the installed capacity of grid-connected, operational electrochemical energy storage projects in China.

(3) The Credit Environment Continued to Ease, Further Reducing Financing Cost

On the financial aspect, China's domestic corporate financing environment continued to improve in the first half of 2022, ushering in a number of favorable developments: the announcement of lowered reserve requirement ratio for financial institution, the encouragement of social capital to raise funds through multiple channels, and the setting up of investment funds to support the development of the renewable energy industry according to market-based principles.

(4) Commencement of China Carbon Emission Trading, Laying Out the Development in the International Carbon Market

Since the opening of China's carbon emission trading market, the first contract fulfillment cycle for the trading of emission rights has completed, with 2,162 power generation companies included in the first fulfillment period and a fulfillment rate over 99.5%. China's carbon price has consistently remained at the level of RMB60/ton with minor fluctuation in the first half of the year.

Hong Kong Exchanges and Clearing Limited announced the establishment of the Hong Kong International Carbon Market Committee. By leveraging on Hong Kong's position as an international financial center, it will facilitate Hong Kong, mainland China and other regions to achieve carbon neutrality goals.

II. BUSINESS REVIEW

In the first half of 2022, the Group's project development achieved remarkable results, maintaining a continued growth trend in various businesses, and the scale of projects under construction hit a record high, with improving quality of assets and steady growth in the service business. In response to epidemic prevention and control, an office was set up in Wuhan, Hubei Province, with convenient transportation for flexible work arrangements, which guaranteed a sustainable working environment for business.

In the first half of 2022, the Group achieved a total revenue of RMB1,339,182,000 (1H2021: RMB973,014,000), representing a year-on-year increase of 37.63%. Profit attributable to equity holders of the Group amounted to RMB443,179,000 (1H2021: RMB404,344,000) (restated), representing a year-on-year increase of 9.6%. Basic earnings per share was RMB5.01 cents (1H2021: RMB4.91 cents), and diluted earnings per share was RMB4.99 cents (1H2021: RMB4.87 cents).

As of 30 June 2022, the Group had net assets of RMB7,832,874,000 (31 December 2021: RMB7,562,887,000) and net assets per share was RMB0.85 (31 December 2021: RMB0.84).

As of 30 June 2022, the Group held cash and bank balances of RMB4,353,906,000 (31 December 2021: RMB4,151,437,000). The balance of bank and other borrowings of the Group was RMB11,895,701,000 (31 December 2021: RMB10,939,507,000). The liability-to-asset ratio was 70.79% (31 December 2021: 68.55%).

(1) Further Success in Project Development and Steady Progress in Power Plant Construction

i. Actively Expanding Project Types while Exploring Energy Storage Reserve

In the first half of the year, by closely following the policies for renewable energy industry in various regions, the Group improved the top-level design by taking advantages of its strengths. It adopted a differentiated strategy to take advantages of its strengths and actively planned ahead to develop projects with all-out efforts leveraging on its professional capabilities, to keep increasing the Group's project reserves.

In the first half of the year, the Group obtained a wind power quota of 800MW in China. 4 wind power projects and 2 PV power projects were newly approved/registered, totaling 1,101MW. The Group actively explored energy storage projects in multiple provinces.

During the reporting period, the Group signed new contracts for 2,300MW of wind power resources and 300MW of PV power resources, and a total of 720MW/1,440MWh of energy storage projects. As of the end of June, the Group has signed contracts for a total of 30.84GW of available wind and solar resource reserves to be developed, including approximately 15.65GW of wind power resources and approximately 15.20GW of PV power resources.

ii. Aggressively Advancing Project Construction and Steadily Growing Attributable Installed Capacity

In the first half of 2022, the size of the Group's projects under construction hit a record high, 20 projects have been successively commenced or about to commence, with the total installed capacity of the Group's invested power plants of 1,908MW (1H2021: 1,742.5MW) . Among them, 10 projects of 1,134MW were continued construction, and 10 projects of 774MW were under new commencement or at pre-construction stage.

During the reporting period, three new power plants with an installed capacity of 160MW were commissioned. As of 30 June 2022, the Group held equity interests in 73 grid-connected wind power and PV power plants with an attributable installed capacity of 2,875.4 MW (1H2021: 2,406 MW). Among them, 56 were wind power plants with an attributable installed capacity of 2,424.7 MW, and 17 were PV power plants with an attributable installed capacity of 450.7 MW. The installed capacity of grid parity projects of the Group has reached 1,260MW, accounting for 43.8% of the attributable capacity.

Attributable Capacity of Power Plants (MW)

Business Segments	1H2022	1H2021	Change Rate
Wind Power Capacity	**2,424.7**	**2,216.0**	**9.4%**
PV Power Capacity	**450.7**	**189.7**	**137.4%**
Total	**2,875.4**	**2,405.7**	**19.5%**

(2) Power Plant Production and Operation

i. Safe and Efficient Production of Power Plants and Steady Growth in Attributable Power Generation

During the reporting period, by consistently complying with the safety management policy of "Safety First, Prevention Priority and Comprehensive Management", the Group kept improving the safety management system, continued to strengthen the production safety accountability, and strictly implemented safety education and training, safety supervision and examination and hidden risks identification and management. The Group paid great attention to the cultivation of safety management awareness., to ensure the safe and stable operation.

During the reporting period, the Group's power plants maintained safe and stable production, and no accurance of personal injury incidence, nor significant equipment accidents, ensuring stable and reliable power supply as well as personnel and property safety.

During the reporting period, the Group's attributable power generation achieved a year-on-year growth, representing an increase of 24.5% as compared with the same period of previous year, of which, the attributable power generation of wind power plants recorded a year-on-year increase of 16.3%, while the attributable power generation of PV power plants recorded a year-on-year increase of 202.0%.

Attributable Power Generation (GWh)

Business Segments	1H2022	1H2021	Change Rate
Wind Power	**2,958.8**	**2,543.8**	**16.3%**
PV Power	**356.3**	**118.0**	**202.0%**
Total	**3,315.1**	**2,661.8**	**24.5%**

In the first half of 2022, benefited from the increase in the proportion of grid-connected projects of grid parity with higher utilization hours, the lower power curtailment rate of power plants, strengthening of production management and shortening of troubleshooting time, the quality of the Group's power plants kept improving and the average utilization hours of wind power plants continued to increase. In the first half of the year, the weighted average utilization hours of the Group's invested wind power plants reached 1,321, representing an increase of 31 hours as compared with the same period of previous year and 167 hours higher than the national average. The weighted average utilization hours of the Group's subsidiary-owned wind power plants reached 1,490, representing an increase of 106 hours as compared with the same period of previous year and 336 hours higher than the average in China.

In the first half of 2022, the weighted average utilization hours of the Group's invested PV power plants amounted to 791, representing an increase of 20 hours as compared with the same period of previous year and 101 hours higher than the average in China.

Weighted Average Utilization Hours of Power Plants (Hour)

	The Group's Invested Power Plants			The Group's Subsidiary-owned Power Plants		
Business Segments	**1H2022**	**1H2021**	**Change Rate**	**1H2022**	**1H2021**	**Change Rate**
Wind Power	**1,321**	**1,290**	**2.4%**	**1,490**	**1,384**	**7.7%**
PV Power	**791**	**771**	**2.6%**	**783**	**742**	**5.5%**

In the first half of 2022, the average wind power curtailment rate of the Group's invested wind power plants was 3.4%, representing a decrease of 0.4 percentage point as compared with the same period last year, and the curtailment rate of the Group's subsidiary-owned wind power plants was 2.5%, representing a decrease of 1.5 percentage points as compared with the same period last year. Benefiting from the increased electricity loads and less power curtailment in Tibet in the first half of the year, the average PV power curtailment rate of the Group's invested PV power plants was 4.4%, representing a decrease of 9.7 percentage points as compared with the same period last year.

Wind and PV Power Curtailment Rates of Power Plants (%)

	The Group's Invested Power Plants			The Group's Subsidiary-owned Power Plants		
Business Segments	**1H2022**	**1H2021**	**Change**	**1H2022**	**1H2021**	**Change**
Wind Power	**3.4%**	**3.8%**	**-0.4%**	**2.5%**	**4.0%**	**-1.5%**
PV Power	**4.4%**	**14.1%**	**-9.7%**	**4.5%**	**16.2%**	**-11.7%**

ii. Revenue and Profit of Power Plants Increase Steadily

Benefited from operation commencement of high quality grid parity projects, improved assets quality of existing power plants and increased installed capacity, the Group achieved a year-on-year increase in revenue and net profit of power plants.

In the first half of 2022, the Group's subsidiary-owned power plants achieved a total revenue of RMB1,044,201,000, representing an increase of 20.3% as compared with the same period of previous year, accounting for 78% of the Group's revenue (1H2021: 89%).

In the first half of 2022, the Group's subsidiary-owned power plants achieved a total net profit of RMB437,502,000 from power generation, representing an increase of 6.6% as compared with the same period of previous year, and the share of the Group in the net profit from the power generation business of associates and joint ventures was RMB111,445,000.

Revenue and Net Profit of Power Plants (RMB)

	1H2022	1H2021	Change Rate
Revenue of Subsidiary-owned Power Plants	1,044,201,000	**868,095,000**	20.3%
Including: Wind Power	886,417,000	773,941,000	14.5%
PV Power	157,784,000	94,154,000	67.6%
Net Profit of Subsidiary-owned Power Plants	437,502,000	**410,528,000**	6.6%
Including: Wind Power	375,240,000	376,468,000	-0.3%
PV Power	62,262,000	34,060,000	82.8%
Net Profit of Jointly-owned and Associated Power Plants	111,445,000	**120,636,000**	-7.6%
Including: Wind Power	108,928,000	117,452,000	-7.3%
PV Power	2,517,000	3,184,000	-21.0%

iii. Average Feed-in Tariff of Power Plants Experienced a Slight Decrease

During the reporting period, with the impacts of the operation commencement of grid parity projects, the increase in power trading and ancillary service sharing costs, the weighted average feed-in tariff of the Group's invested power plants decreased slightly. Some provinces have started green electricity trading, and the green electricity trading price has increased slightly compared with the original tariff. At the same time, the gradual increase in the proportion of the Group's high-quality grid parity projects and the continuous optimization of the quality of the Group's existing power plants would effectively offset the impact of the decrease in average feed-in tariff to ensure the Group's smooth transition to the grid parity era.

Weighted Average Feed-in Tariff of Power Plants (RMB/kWh) (Including VAT)

Business Segments	1H2022	1H2021	Change
Wind Power	**0.4649**	**0.5118**	**-0.0469**
PV Power	**0.5338**	**0.9398**	**-0.4060**

(3) Financing Channels Actively Expanded and Financing Cost Significantly Reduced

During the reporting period, the financing and credit policies in China continued to loose. Since 2021, the People's Bank Of China has lowered the reserve requirement ratio of financial institutions multiple times and the lending interest rate for domestic enterprises in China has continued to decline. With the growth of the Group's credit reputation in the financial market, it was granted group facilities by several banks through exploration of multiple and diversified channels.. In the first half of the year, financing amount for the Group's newly contracted projects hit a record high, with the interest rate reaching a record low. Financing Channels were thereby expanded, while the financing cost of new projects decreased remarkably. The loan drawdown amount for new projects amounted to RMB2.45 billion, which effectively improved asset efficiency.

As of 30 June 2022, the buildings and equipment of the Group were pledged to secure loan balance of RMB10,676,498,000 (31 December 2021: RMB9,702,631,000).

As of 30 June 2022, the Group had capital expenditure contracted for but not provided for of RMB4,364,494,000 (31 December 2021: RMB2,068,344,000).

(4) Continued Optimization of Asset to Continuously Improve Asset Quality

During the reporting period, the Group continued to optimize asset and improve asset quality. Through continuous dynamic analysis of existing power plants, the Group strengthened the monitoring and analysis of performance indicators such as power generation capacity, cash flow and debt, and commenced the rolling replacement of power plants to constantly reduce our reliance on renewable energy subsidies, enhance economic efficiency and improve cash flow. In the first half of the year, the Group signed transfer agreement of 144MW projects, and is carrying out equity delivery and payment collection in an orderly manner. Through persistent asset optimization, asset structure and cash flow are effectively improved, and asset quality has been further optimized.

(5) Intelligent O&M

The intelligent O&M sector, represented mainly by Beijing Century Concord Operations and Maintenance Co. Ltd. ("Concord O&M") contributed revenue of RMB115,718,000 to the Group (1H 2021: RMB92,064,000), representing a year-on-year increase of 25.7%.

So far, the intelligent O&M sector has provided operation and O&M management services for a variety of clean energy assets such as onshore wind power, offshore wind power, distributed wind power, centralized PV power, distributed PV power, household PV power, separate energy storage station, integrated wind and PV storage and cooling and heating equipment. It also provides service products including technological transformation, spare parts supply and maintenance, intelligent operation platforms, data-analyzing and services.

Concord O&M has actively strengthened the integration of software and hardware, such as data mining, AI algorithms, intelligent sensors, intelligent inspection robots, and unmanned aerial vehicles (uavs) with the POWER+ platform. It has built closely connections among devices, people, energy and data, continuously optimizing management and technical strategies. The digitalized system is deeply integrated with the service scenarios, with the entire service process standardized through digital means to form a complete technical support and management loop.

In the first half of 2022, Concord O&M continued to strengthen its delivery capabilities, with more than 12GW service capacity.

(6) Power Design, Leasing and Other Service Businesses

During the reporting period, the Group's subsidiary Concord Power Engineering Design (Beijing) Co., Ltd. (the "Design Company") actively expanded the external market and its business scope by cooperating with external design institutes to introduce advanced design concepts and carrying out EPC business of distributed PV, wind power, and energy storage projects, to continuously scale up the Company's operation, thus further increasing the proportion of external revenue.

In the first half of the year, the Design Company organized and completed the preparation of and revision to a total of 66 feasibility study reports, project application reports and planning reports, conducted microsite selection for a total of 12 projects with the accumulative selection capacity of 1,630MW, and completed technical services for 10 overseas projects. Meanwhile, the Design Company has achieved a breakthrough in new business segments such as grid connection system, power grid planning and charging piles, and won the third prize of Outstanding QC Achievements in the power industry.

During the reporting period, based on distributed PV power and distributed wind power plants, the Group's subsidiary Tianjin Guoyin Xinyuan International Leasing Co., Ltd. (the "Leasing Company") carried out financial leasing and actively expanded into new businesses including energy storage and incremental distribution network focusing on the renewable energy industry chain. The value of new contracts of external business increased by 190% in the first half of the year as compared with the same period of last year. For existing projects, the risks are manageable without overdue payment. The Leasing Company will maintain close cooperation with financial institutions, and enhanced its financing capabilities via bank factoring, credit facilities and subleasing.

During the reporting period, the Group strengthened the whole process management of registration, issuance, sales and payment collection of Green Certificates, particularly focusing on promoting the issuance of Green Certificates for grid parity projects. The number of Green Certificates issued for grid parity projects increased by 29.7% year-on-year, and Green Certificate bulk sales contract has been rebooted.

In the first half of the year, the Group has gradually carried out business adjustment to its electricity sales companies. In the future, the Group will focus on the sales of electricity as its core business, continuously deepen its services and change to an "electricity sales+" business model. Meanwhile, in combination of the latest policies of various provinces in China and market-oriented transactions, the Group will actively explore new business.

III. OUTLOOK

In the first half of the year, while the energy crisis in Europe triggered by the conflict between Russia and Ukraine has hampered the global economic recovery to a certain extent, countries around the world now attach great importance to their energy security, which is accelerating the process of global energy transformation.The global development of sustainable energy enters the fast lane, benefiting the development of renewable energy.

Looking forward to the second half of the year, the future trend of the global epidemic remains highly uncertain, and business development is subject to policies, markets, climate, power curtailment, capital and exchange rates. As China's epidemic prevention and control has fully adopted a normalized management model, the development of renewable energy will further flourish under the guidance of the "dual-carbon" target.

Facing the new situation, the Group will seize the opportunities in the industry and leverage on its professional advantages, focusing on its main business of power generation and co-developing with the service business. In the second half of the year, the Group will focus on the following tasks:

(1) Accelerating Project Construction to Achieve a Rapid Growth in Attributable Installed Capacity

The Group will accelerate the construction of new and continued projects to ensure that projects are commissioned as scheduled. According to external conditions and its own resource allocation, the Group will continue to strengthen project construction management by optimizing and coordinating all construction procedures, by carrying out project preparations in advance, and by strengthening the evaluation of boundary conditions of preparatory projects. To ensure project constructions are commissioned as scheduled, the Group will optimize the design and construction plans, thus achieving a rapid growth in the Group's attributable installed capacity and the revenue of power plants.

(2) Vigorously Develop Renewable Energy Projects and Actively Explore New Businesses such as Energy Storage

The Group will continue to leverage its advantages in development, innovate development models, and optimize development layout to explore new energy-related businesses according to local conditions. It will actively plan and allocate demonstration projects and comprehensive management projects, further increase its efforts in project development, and make every effort to capture advantageous resources, to increase the resource reserves of energy storage projects. Meanwhile, the Group will pay close attention to equipment prices, dynamically measure investment income on projects, and formulate appropriate development strategies, to maximize the Group's overall benefit.

(3) Vigorously Develop the Service Business and Strengthen the Synergistic Development of All Sectors

The Group will vigorously develop its service business, will enhance its ability to expand external businesses, and will actively strengthen the integration of software and hardware with the POWER+ platform, including data mining, AI algorithms, intelligent sensors, intelligent inspection robots and unmanned aerial vehicles (uavs). This will further accumulate data assets for energy and services, will improve business awareness, and will optimize management and technical strategies, thus improving and strengthening the O&M business. The Group will expand its market by focusing on distributed PV power, customer-side energy storage and comprehensive energy management business, and will actively engage in the development of financial leasing business. Meanwhile, it will continue to improve its design standards and service quality, and will promote the synergistic development of service businesses including design, financial leasing and intelligent O&M.

(4) Make Extra Efforts to Ensure Safe Production and Steady Increase of Power Plant Profits

With the development of the renewable energy industry, intelligent and digital application has been widely employed in the production of power plants in all aspects. Digital tools are used fully and efficiently to enhance the management capabilities of power plants. The Group will focus on the production safety of power plants, will strictly investigate all potential safety risks, and will thoroughly carry out technical upgrades and defect eliminations. A contingency plan is in place in response to emergencies and bad weather, ensuring the stability and safety of the Group's production, and steady profit growth of the power plants.

(5) Continuous Optimization of Existing Asset and Constant Improvement of Asset Efficiency

The Group will continue to adhere to dynamic screening and analysis of its existing assets, will improve the efficiency and cash flow of existing assets and enhance the quality of existing assets by constant asset replacements. Meanwhile, the Group will actively carry out project analysis of efficiency improvement by equipment management, technological transformation, intelligent operation management and innovative financing, to constantly improve the returns and efficiency of asset.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITES OF THE COMPANY

During the six months ended 30 June 2022, the Company repurchased a total of 38,740,000 ordinary shares of the Company for an aggregate consideration of HK$25,976,200 (equivalent to approximately RMB21,106,000) on The Stock Exchange of Hong Kong Limited, all of the purchased shares were cancelled by the Company and the issued share capital of the Company was reduced thereon. Details of the share repurchases during the period are as follows:

	Share Repurchased	**Purchase Price per Share**		
Month	**Number**	**Highest** HK$	**Lowest** HK$	**Aggregate Amount** HK$
March 2022	38,740,000	0.69	0.62	25,976,200
	38,740,000			**25,976,200**

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2022, the Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the provisions of the relevant Corporate Governance Code (the "CG Code") from time to time, as set out in Appendix 14 to the Listing Rules.

All other information on the Corporate Governance Code of the Company has been disclosed in the Corporate Governance Report contained in the 2021 annual report of the Company issued in April 2022.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company, Mr. Yap Fat Suan, Henry, Ms. Huang Jian and Mr. Zhang Zhong. Mr. Yap Fat Suan, Henry is the chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the CG Code. The Group's unaudited consolidated interim financial statements for the six months ended 30 June 2022 have been reviewed by the Audit Committee.

For and on behalf of
Concord New Energy Group Limited
Chairman
Liu Shunxing

Hong Kong, 1 August 2022

As at the date of this announcement, the Board comprises Mr. Liu Shunxing (Chairman), Ms. Liu Jianhong (Vice Chairperson), Mr. Gui Kai (Chief Executive Officer), Mr. Niu Wenhui, Mr. Zhai Feng and Ms. Shang Jia (all of above are executive Directors), Mr. Wang Feng (who is a non-executive Director) and Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang, Ms. Huang Jian, Mr. Zhang Zhong and Ms. Li Yongli (who are independent non-executive Directors).