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卡姆丹克太陽能系統集團有限公司
Comtec Solar Systems Group Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 712)

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

HIGHLIGHTS

- Revenue for the Period was approximately RMB86.7 million, representing an increase of 462% from approximately RMB15.4 million for the corresponding period in 2023;
- Gross profit for the Period was approximately RMB3.6 million for the Period, representing a decrease of 25.4%, from approximately RMB4.9 million gross profit for the corresponding period in 2023;
- Net loss attributable to the owners of the Company for the Period was approximately RMB25.3 million, primarily due to the absence of a one-off net gain on the disposal of investment properties in Shanghai of approximately RMB68.1 million, which took place in the corresponding period in 2023;
- Our loss per share for the Period was RMB2.50 cents, comparing to the earning per share *(basic)* of 6.22 cents for the corresponding period in 2023; and
- The Group continued to improve its financial position. As at 30 June 2024, the Group's total liabilities was approximately RMB311.6 million, having reduced from the total liabilities of approximately RMB341.5 million as at 31 December 2023. The gearing ratio (total liabilities divided by total equity) as at 30 June 2024 was 2.1, improving from the gearing ratio of 2.5 as at 31 December 2023.
- The Group continued to strengthen our financial position and enhance the cash flow by multiple means and fostered collaborations with new investors with the completion of share subscriptions exercise during the Period.
- The Group continued to invest in the flywheel-lithium iron phosphate battery hybrid energy storage system (the "FLBH Energy System"), a new power storage technology for renewable energy, in PRC during the Period. The FLBH Energy System is a breakthrough in the application of hybrid energy storage in the field of stand-alone off-grid energy storage, and can serve as a complementary support to the existing stand-alone energy storage facilities, and will further improve the level of clean energy consumption, and enhance the peak load capacity of the regional power grids around the PRC.

INTERIM RESULTS

The Board of the Company is pleased to announce the unaudited interim results and condensed consolidated financial statements of the Group for the six months ended 30 June 2024, together with the comparative figures for the corresponding period in 2023. These results have been reviewed by the Company's audit committee, comprising all of the independent non-executive Directors, with one of them chairing the committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period for the six months ended 30 June 2024

		For the six months ended 30 June	
		2024	2023
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**86,716**	15,430
Cost of sales and services		**(83,095)**	(10,576)
Gross profit		**3,621**	4,854
Other income	*5*	**3,468**	3,624
Other gains and losses	*6*	**(7,399)**	68,576
Impairment loss on financial assets, net of reversal		**1,986**	(5,262)
Selling and distribution expenses		**(1,118)**	(1,287)
Administrative expenses		**(15,811)**	(13,938)
Research and development expenses		**(411)**	(618)
Finance costs	*7*	**(12,486)**	(7,235)
(Loss)/profit before taxation	*8*	**(28,150)**	48,714
Income tax (expenses)/credit	*9*	**2,549**	(14)
(Loss)/profit for the Period		**(25,601)**	48,700

	NOTES	For the six months ended 30 June **2024** **RMB'000** **(Unaudited)**	2023 RMB'000 (Unaudited)
Other comprehensive expense			
Item that will not be reclassified subsequently to profit or loss:			
Change in fair value of equity instruments designated at fair value through other comprehensive income ("FVTOCI")		**(559)**	–
Other comprehensive expense for the Period		**(559)**	–
Total comprehensive (expense)/income for the Period		**(26,160)**	48,700
(Loss)/profit for the Period attributable to:			
Owners of the Company		**(25,254)**	49,305
Non-controlling interests		**(347)**	(605)
		(25,601)	48,700
Total comprehensive (expense)/income attributable to:			
Owners of the Company		**(25,538)**	49,305
Non-controlling interests		**(621)**	(605)
		(26,159)	48,700
		RMB cents	*RMB cents*
(Loss)/earning per share			
– Basic	*11*	**(2.50)**	6.22
– Diluted	*11*	**(2.50)**	5.82

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	NOTES	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**24,125**	26,177
Investment properties		**32,497**	42,660
Intangible assets		**–**	–
Financial assets at fair value through other comprehensive income		**2,414**	2,873
Goodwill		**–**	–
Deferred tax assets		**6,212**	3,672
		65,248	75,382
Current assets			
Inventories		**1,731**	1,588
Trade receivables	*12*	**20,216**	47,485
Deposits, prepayment and other receivables, net		**69,378**	64,296
Bank balances and cash		**9,017**	18,286
		100,342	131,655
Current liabilities			
Trade payables	*13*	**67,009**	91,977
Loan advance from a related party		**28,389**	–
Other payables and accruals	*14*	**107,472**	138,425
Contract liabilities		**2,260**	3,305
Interest-bearing borrowings		**20,945**	20,135
Loan from shareholders		**1,186**	2,084
Tax liabilities		**5,859**	5,915
Deferred income		**2,507**	4,173
Considerable payable		**5,130**	5,130
Lease liabilities		**3,097**	3,901
Convertible bonds	*15*	**14,195**	14,107
		258,049	289,152
Net current liabilities		**(157,707)**	(157,497)
Total assets less current liabilities		**(92,459)**	(82,115)

	NOTES	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Non-current liabilities			
Interest-bearing borrowings		**37,317**	34,462
Deferred tax liabilities		**1,746**	1,746
Deferred income		**4,389**	4,810
Lease liabilities		**10,105**	11,310
		53,557	52,328
Net liabilities		**(146,016)**	(134,443)
Capital and reserves			
Share capital	*16*	**3,727**	3,153
Reserves		**(148,315)**	(136,789)
Equity attributable to owners of the Company		**(144,588)**	(133,636)
Non-controlling interests		**(1,428)**	(807)
Total deficits		**(146,016)**	(134,443)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Period for the six months ended 30 June 2024

1. GENERAL

The condensed consolidated financial statements of Comtec Solar Systems Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to the "Group") for the six months ended 30 June 2024 were authorised for issue in accordance with a resolution of the board of directors of the Company on 30 August 2024.

The Company is a public limited company incorporated in the Cayman Islands and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 30 October 2009. Its parent company and ultimate holding company is Fonty Holdings Limited, a company incorporated in the British Virgin Islands with limited liability. Its ultimate controlling party is Mr. John Yi Zhang ("Mr. Zhang"), who is the chairman and a director of the Company.

The Company is an investment holding company. The Group is principally engaged in research, production and sales of power storage products and lithium battery products, the provision of consulting services for investment, development, construction and operation of solar photovoltaic power stations, operation of rooftop distributed power generation projects in industrial, commercial and residential buildings and provision of logistics services to factories, manufacturers, raw material providers.

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 June 2024 are unaudited, but have been reviewed by the audit committee of the Company. The condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "IASB").

The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

The Group incurred a net loss of approximately RMB25.6 million for the six months ended 30 June 2024 and had net current liabilities and net liabilities of approximately RMB157.7 and RMB146.0 as at that date respectively. Notwithstanding the above results, the condensed consolidated financial statements have been prepared on a going concern basis, the validity of the going concern basis is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements.

Also, the directors of the Company are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

- Mr. Zhang has committed to provide necessary financial support in the form of debt and/or equity to the Group to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future;

- Mr. Dai Ji has committed to provide necessary financial support in the form of debt and/or equity to the Group to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future;

- Considering the Group has been able to roll over or obtain replacement borrowings from existing credit for most of its short-term interest-bearing borrowings upon their maturity historically, the Group will continue to do so for the foreseeable future;

- The Group has made an investment in a flywheel-lithium iron phosphate battery hybrid energy storage system and advanced a shareholders' loan in the amount of RMB8,500,000 in second half of 2023 to improve profitability;

- The Group intends to acquire a company which operates a logistics cloud technology platform that provides transportation management system, IoT product, logistics financial products, and different one-stop solutions catering to the varying needs of customers in the PRC to enhance the Group's existing business and improve profitability;

- The Group has been actively negotiating with a few interested parties who would be interested to restructure the debts of the Company, such that the interested party will negotiate with the lenders to waive/refinance/extend the repayment of loans, and also look into possible equity/debt investment into the Company; and

- The Group is adopting strict control of operating and investing activities.

In view of the above, the directors of the Company are of the opinion that there will be sufficient financial resources available to the Group to enable it to meet its liabilities as and when they fall due and to continue as a going concern. Accordingly, the directors of the Company have prepared the condensed consolidated financial statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in these condensed consolidated financial statements.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment property, investments in equity securities and convertible bonds that are measured at fair value at the end of the reporting period.

Other than changes in accounting policies resulting from the application of new and amendments to International Financial Reporting Standards ("IFRSs") as explained below, the accounting policies and methods of computation used in the condensed consolidation financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

New and amendments to IFRSs that are effective for the current period

The Group has adopted the following new and amendments to IFRS which are effective for the financial year beginning on or after 1 January 2024:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Related Amendments to Hong Kong Interpretation 5 (2020)
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The adoption of above amendments to IFRSs does not have a material impact on these condensed consolidated financial statements.

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in provision of consulting services for investment, development, construction and operation of solar photovoltaic power stations and production and sales of efficient mono-crystalline and power storage products. Also, the Group is providing logistic services to factories, manufacturers, raw material providers.

(i) Disaggregation of revenue from contracts with customers

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Solar and power storage		
Power generation	**5,188**	5,713
Power storage (sales and production)	**6,595**	1,720
EPC consulting		
– photovoltaic power stations	**634**	1,671
– power storage companies	**–**	–
	634	1,671
	12,417	9,104
Logistics	**74,299**	6,326
Total	**86,716**	15,430

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 4(b)(i).

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in IFRS 15 to all its contracts such that no information regarding revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date is disclosed because either the remaining performance obligation is part of a contract that has an original expected duration of one year or less or the Group recognises revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the Group's performance completed to date.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the chief operating decision maker (the "CODM") for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Solar and power storage – Provision of consulting services for investment, development, construction and operation of solar photovoltaic power stations and production and sales of power storage products and mono-crystalline products.

- Logistics services – Provision of logistics services to factories, manufacturers, raw material providers in the PRC, primarily in the Jiangsu Province.

After carefully reviewing the Group's strategic position in its production and sales of efficient mono-crystalline business, the management consider that the scale of this segment is insignificant after the disposal of subsidiary and no longer to carrying out of the production and sales of mono-crystalline business. Accordingly, the Group decided to combine two reportable operating segment to "solar and power storage" which including mono-crystalline business and described above for better presentation.

(i) Segment revenue and results

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results attributable to each reportable segment on the following bases:

Segment result includes revenue and expenses that are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments.

In addition, the CODM is provided with segment information concerning revenue and other information relevant to the assessment of segment performance and allocation of resources between segments.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the CODM for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2024 and 2023 is set out below.

For the six months ended 30 June 2024

	Solar and power storage *RMB'000* **(Unaudited)**	**Logistics services** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Disaggregated by timing of revenue recognition			
Point in time	**6,595**	**–**	**6,595**
Over time	**5,822**	**74,299**	**80,121**
Total revenue	**12,417**	**74,299**	**86,716**
Segment profit	**4,114**	**1,244**	**5,358**
Unallocated income			**6,233**
Unallocated corporate expenses			**(27,773)**
Unallocated finance costs			**(11,968)**
Loss before taxation			**(28,150)**

For the six months ended 30 June 2023

	Solar and power storage *RMB'000* (Unaudited)	Logistics services *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Disaggregated by timing of revenue recognition			
Point in time	1,720	–	1,720
Over time	7,384	6,326	13,710
Total revenue	9,104	6,326	15,430
Segment profit	5,318	12	5,330
Unallocated income			71,477
Unallocated corporate expenses			(20,858)
Unallocated finance costs			(7,235)
Profit before taxation			48,714

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit (loss) of each segment without allocation of central and other operating expenses, certain unallocated other income and finance cost and impairment loss on financial assets, net of reversal. This is the measure reported to the directors of the Company with respect to the resource allocation and performance assessment.

(ii) *Segment assets and liabilities*

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Segment assets

	As at 30 June 2024 ***RMB'000*** **(Unaudited)**	As at 31 December 2023 *RMB'000* (Audited)
Solar and power storage	**65,282**	78,007
Logistics services	**13,381**	26,156
Total segment assets	**78,663**	104,163
Corporate and other assets	**86,927**	102,874
Total assets	**165,590**	207,037

Segment liabilities

	As at 30 June 2024 ***RMB'000*** **(Unaudited)**	As at 31 December 2023 *RMB'000* (Audited)
Solar and power storage	**37,216**	45,642
Logistics services	**11,667**	26,990
Total segment liabilities	**48,883**	72,632
Corporate and other liabilities	**262,723**	268,848
Total liabilities	**311,606**	341,480

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

– All assets are allocated to operating segment, other than unallocated property, plant and equipment, investment properties, intangible assets, unallocated deposits, prepayments and other receivables, bank balances and cash and other corporate assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and

– All liabilities are allocated to operating segments, other than unallocated other payables and accruals, unallocated lease liabilities, deposit received, unallocated interest-bearing borrowings, convertible bonds, consideration payable, deferred tax liabilities and other corporate liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment liabilities.

(iii) Other segment information

For the six months ended 30 June 2024 (unaudited)

	Mono-crystalline and solar products *RMB'000*	Solar and power storage *RMB'000*	Logistics services *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Amounts include in the measure of segment profit or loss of segment assets:					
Depreciation and amortisation	–	3,137	–	1,989	5,126
Impairment loss on financial assets, net of reversal	–	(735)	(1,235)	(16)	(1,986)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss of segment assets:					
Finance costs	–	1,938	–	10,548	12,486
Income tax credit	–	(9)	1	(2,541)	(2,549)

For the six months ended 30 June 2023 (unaudited)

	Mono-crystalline and solar products *RMB'000*	Solar and power storage *RMB'000*	Logistics services *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Amounts include in the measure of segment profit or loss of segment assets:					
Depreciation and amortisation	–	4,273	–	1,991	6,264
Impairment loss on financial assets, net of reversal	(180)	3,417	1,602	423	5,262
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss of segment assets:					
Finance costs	–	1,406	–	5,829	7,235
Income tax expenses	–	13	1	–	14

5. OTHER INCOME

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants *(note)*	**2,087**	2,087
Rental income	**852**	1,297
Interest income	**529**	240
	3,468	3,624

Note: The government grants mainly represent the amount received from the local government by operating subsidiaries of the Group to encourage activities aimed out by the Group in clean energy industry and high-technology advancement. No specific conditions are attached to the grant.

6. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net foreign exchange gain	**2,606**	444
Fair value loss on investment properties	**(10,163)**	–
Gain on disposal of properties *(note)*	**–**	68,129
Gain on deregistration of subsidiaries	**–**	7
Others	**158**	(4)
	(7,399)	68,576

Note: As part of the Group's strategy of removing the capital-intensive, less efficient upstream business, on 1 June 2022, the Company's s subsidiary has announced the disposal of investment properties in Shanghai at the consideration of RMB180 million. The Disposal was completed and the Group recorded a net gain on the disposal of investment properties of approximately RMB68.1 million during the corresponding period in 2023. The properties comprise of two land use rights and seven factory buildings.

7. FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank borrowings	**–**	477
Interest on other borrowings	**3,824**	2,233
Interest on loan from a related party *(note 15)*	**7,189**	–
Interest on loans from shareholders	**104**	87
Interest on convertible bonds	**853**	3,509
Interest on leases liabilities	**516**	929
	12,486	7,235

8. PROFIT/LOSS BEFORE TAXATION

Profit/loss before taxation has been arrived at after charging:

(a) Staff costs

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
– Salaries, wages, bonus and other benefits (including of director's emoluments)	**2,506**	3,162
– Retirement benefits schemes contributions	**168**	16
Total staff costs	**2,674**	3,178

(b) Other items

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation charge		
– owned property, plant and equipment	**3,998**	3,748
– right-of-use assets	**1,128**	2,516
	5,126	6,264

9. TAXATION

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
PRC Enterprise Income Tax	**(8)**	14
Deferred tax		
Current period	**(2,541)**	–
Income tax expense/(credit)	**(2,549)**	14

No Hong Kong Profits Tax was provided for the six months ended 30 June 2024 and 2023 as the group entities had no assessable profits or incurred tax losses in Hong Kong.

PRC Enterprise Income Tax was calculated at the applicable tax rate of 25% in accordance with the relevant laws and regulations in the PRC for the six months ended 30 June 2024 and 2023.

10. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 30 June 2024 and 2023.

11. (LOSS)/EARNING PER SHARE

The calculation of basic and diluted (loss)/earning per share attributable to owners of the Company is based on the following data:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(Loss)/earning		
(Loss)/earning for the Period attributable to owners of the Company	**(25,254)**	49,305
Number of shares		
Weighted average number of ordinary shares in issue	**1,008,592,828**	792,316,033
Weighted average number of outstanding and vested share options	**53,929,500**	55,159,500
Weighted average number of shares for the purpose of diluted earnings per share	**1,008,592,828** *(Note)*	847,475,533

Note:

The computation of diluted loss per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for 30 June 2024.

12. TRADE RECEIVABLES

	At 30 June 2024	At 31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**33,455**	62,717
Less: expected credit loss for trade receivables	**(13,239)**	(15,232)
	20,216	47,485

The Group requests prepayment from customers before delivery of goods and allows a credit period of 7 to 180 days for the remaining balance on case-by-case basis. The following is an ageing analysis of trade receivables net of impairment based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates:

	At 30 June 2024 ***RMB'000*** **(Unaudited)**	At 31 December 2023 *RMB'000* (Audited)
0 to 30 days	**13,483**	46,446
31 to 60 days	**3,259**	528
61 to 90 days	**2,837**	113
91 to 180 days	**464**	233
Over 180 days	**173**	165
	20,216	47,485

13. TRADE PAYABLES

The following is an ageing analysis of trade payables based on the invoice date at the end of the reporting period:

	At 30 June 2024 ***RMB'000*** **(Unaudited)**	At 31 December 2023 *RMB'000* (Audited)
0 to 30 days	**9,313**	19,593
31 to 60 days	**5,703**	4,399
61 to 90 days	**2,736**	13,836
91 to 180 days	**2,191**	4,646
181 to 360 days	**3,172**	5,439
Over 360 days	**43,894**	44,064
	67,009	91,977

The average credit period on purchases of goods is 7 to 180 days and certain suppliers grant a longer credit period on a case-by-case basis.

14. OTHER PAYABLES AND ACCRUALS

	At 30 June 2024 *RMB'000* (Unaudited)	At 31 December 2023 *RMB'000* (Audited)
Interest payables	**67,147**	56,603
Other payables and accrued charges	**36,394**	77,891
Payables for acquisition of property, plant and equipment	**3,931**	3,931
	107,472	138,425

15. CONVERTIBLE BONDS

The Company issued USD settled convertible bonds (the "Bonds") at an aggregate principal amount of USD10,000,000 with interest rate of 10% per annum on 27 July 2018.

The principal terms of the Bonds

(i) Denomination of the Bonds – The Bonds are denominated and settled in USD.

(ii) Maturity date – The third anniversary of the date of issuance, which is 27 July 2021.

(iii) Interest – The Bonds carry interest at 10% per annum, accrued on a daily basis, of which 3% shall be paid in cash semi-annually in arrears and 7% should be paid in cash upon redemption or maturity.

(iv) Security – The obligations of Company in respect of the Bonds are secured by the share charge of Comtec Solar (Hong Kong) Limited and Future Energy Capital Group Limited.

(v) Conversion

(a) Conversion price – The conversion price is HKD0.174 per share, subject to adjustments.

Upon the completion of the Share Consolidation on 28 August 2019, the conversion price has been increased to HKD0.696 per share.

(b) Conversion period – The bondholder shall have the right, on any business day after the date of issuance until and including the seventh business day immediately preceding the maturity date, to convert the whole or part of the outstanding principal amounts of the Bonds.

(c) Number of conversion shares issuable – The number of conversion shares to be issued shall be calculated based on the principal amount of the Bonds being converted and the conversion price applicable on the relevant conversion date. No fraction of a share shall be issued on conversion of the Bonds.

The Bonds contain two components, the debt component and the derivative component. The effective interest of the debt component is 12.44%. The derivative component is measured at fair value with changes in fair value recognised in profit or loss subsequently.

The Company received the conversion notices from the subscriber for the exercise of the conversation rights attached to the Bonds in respect of the aggregate principal amount of USD2,000,000 and USD2,000,000 on 5 March 2021 and 18 March 2021 respectively. Pursuant to the conversion price of HKD0.696 per conversion share which is the adjusted conversion price after implementation of the Share Consolidation on 28 August 2019, a total number of 22,556,896 and 22,556,896 conversion shares have been issued to the subscriber on 5 March 2021 and 18 March 2021 respectively.

During the year ended 31 December 2023, certain principal amount of the Bonds of approximately USD4,008,000 (equivalent to RMB28,389,000) was repaid by a related party on the Company's behalf following a debt restructuring exercise as instructed by one of our new strategic investors. The amount is subsequently agreed and recognised as a loan advance from a related party.

As at 30 June 2024, the Bonds of the aggregate principal amount of USD1,992,000 is overdue.

The movements of the debt and derivative components of the Bonds for the year are set out below:

	Debt component *RMB'000*	**Derivative component** *RMB'000*
At 1 January 2023 (Audited)	41,787	–
Off-setting	(28,389)	–
Exchange difference	709	–
At 31 December 2023 and 1 January 2024 (Audited)	**14,107**	**–**
Exchange difference	**88**	**–**
At 30 June 2024 (Unaudited)	**14,195**	**–**

16. SHARE CAPITAL

	At 30 June 2024		At 31 December 2023	
	No. of shares	***HKD'000***	*No. of shares*	*HKD'000*
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
Authorised:				
Ordinary shares of HK$0.004 each	**1,900,000,000**	**7,600**	1,900,000,000	7,600
Issued and fully paid:				
At the beginning of period/year	**901,581,612**	**3,606**	791,709,002	3,167
Share subscriptions *(note)*	**158,341,800**	**633**	109,872,610	439
At the end of the period/year	**1,059,923,412**	**4,239**	901,581,612	3,606

Presented in RMB:	**At 30 June 2024** ***RMB'000*** **(Unaudited)**	At 31 December 2023 *RMB'000* (Audited)
Ordinary shares	**3,727**	3,153

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Note: The Company has completed three share subscriptions on 28 February 2024 to settle certain liabilities of approximately HK$7,416,000 (equivalent to approximately RMB6.7 million) of the Group and receive cash proceeds, net of relevant transaction expenses, of approximately HK$8,710,000 (equivalent to approximately RMB8.3 million).

On 30 June 2023, the Company issued an aggregate of 109,872,610 new shares pursuant to two subscription agreements, with an aggregate net proceed of approximately HKD17,250,000 (equivalent to RMB15,684,000) for capitalising certain other payables and interest-bearing borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Period, the Group is principally engaging in the solar and power storage business and the provision of logistics services.

Solar and Power Storage Business

In the solar and power storage business, the Group continues to operate its 11 existing power generation projects from its roof-top solar systems by the Group's wholly-owned subsidiaries in Shanghai, Wuxi, Fuzhou, Guangdong, Zhuhai, Tianjin, Haian, Changshu for a stable revenue source during the Period. In addition, the Group continues to provide solar engineering, procurement and construction ("EPC") services for rooftop distributed generation projects to customers around the PRC. During the Period, while the management was pursuing more projects and opportunities, the Group continued its ongoing EPC projects to its investment of the FLBH Energy System (as defined below) in Shanxi Province. In the power storage (sales and production) business, the subsidiary has actively revamped its technology and products and we noted a stable inflow of new purchase orders to our lithium battery power storage systems and products. We continued to invest, through our subsidiary, by both equity and debt, into a flywheel-lithium iron phosphate battery hybrid energy storage system (the "FLBH Energy System") in Yongji City, Shanxi, PRC. The FLBH Energy System was under construction during the Period and we expect the construction can be completed and connected to the Grid in the second half of 2024.

Logistic Services

In the logistics services segment, our subsidiary continued to pursue and win new contracts and we expect our logistics business to continue to grow steadily during the year 2024. During the Period, the Group's due diligence on the acquisition of the controlling stake of Changzhou Zhilian Cloud has commenced and it was closed to completion by the end of the Period. Changzhou Zhilian Cloud is a company which operates a logistics cloud technology platform that provides transportation management system, IoT product, logistics financial products, and different one-stop solutions catering to the varying needs of customers. The Directors anticipate the Group can leverage on the intelligent logistics solutions of Changzhou Zhilian Cloud to further speed up the development of the Group's logistics business, improve the existing logistics services business structure, costing and operation flows. Thus, improving the profit from this segment and enhancing the Group's competitiveness in the logistics industry for the Group's long-term growth. The acquisition is expected to complete in the second half of 2024.

The Group will continue to utilise it's resources and network as well as the extensive investment experience of our board of directors and senior management to maintain an ongoing business development in the energy supply and storage business, sustainable commerce and economy, and intelligent logistic business.

FINANCIAL REVIEW

Revenue

Revenue from our businesses mainly included (1) power generation income, (2) EPC consulting services income for design, installation and construction of photovoltaic power stations and renewable energy companies, (3) income from sales of lithium battery power storage products, and (4) income from provision of logistics services. Revenue from solar and power storage increased by approximately RMB3.3 million, or 36.6%, from approximately RMB9.1 million for the corresponding period in 2023 to approximately RMB12.4 million for the Period, primarily due to the positive results in the Group's subsidiary's sales of lithium battery power storage products. Revenue from logistics services business increased by 1,075% to approximately RMB74.3 million for the Period as compared to approximately RMB6.3 million in the corresponding period in 2023, primarily due to the organic growth of the business since its breakthrough in business with external customers in the second calendar quarter of 2023.

Cost of sales and services

Cost of sales and services increased by 686% from approximately RMB10.6 million for the corresponding period in 2023 to approximately RMB83.1 million for the Period, generally in line with the increase in revenue.

Gross profit

During the Period, the Group recorded gross profit of approximately RMB3.6 million, representing a decrease of approximately 25.4% from the gross profit of approximately RMB4.9 million for the corresponding period in 2023, as a result of the change in relative proportion of different sources of revenue.

Other income

During the Period, other income was approximately RMB3.5 million, representing a decrease of 4.3%, from approximately RMB3.6 million for the corresponding period in 2023, which was largely similar to that in the last corresponding period.

Other gains and losses

Other losses were approximately RMB7.4 million during the Period, representing a decrease by approximately RMB76.0 million from other gains of approximately RMB68.6 million during the corresponding period in 2023. The decrease was primarily due to (i) the absence of a one-off net gain on the disposal of investment properties in Shanghai of approximately RMB68.1 million, which took place in the corresponding period in 2023, and (ii) a decrease in fair value of our investment property at Haian during the Period.

Selling and distribution expenses

Selling and distribution expenses decreased by RMB0.2 million, or 13.1%, from approximately RMB1.3 million for the corresponding period in 2023 to approximately RMB1.1 million for the Period, primarily due to the stringent cost control measures implemented by the Company during the Period.

Administrative expenses

Administrative expenses increased by approximately RMB1.9 million, or 13.4%, from approximately RMB13.9 million for the corresponding period in 2023 to approximately RMB15.8 million for the Period. The increase was mainly attributable to the increase in operating scale in line with revenue.

Research and development expenses

Research and development expenses decreased by approximately RMB0.2 million, or 33.5%, from approximately RMB0.6 million for the corresponding period in 2023 to approximately RMB0.4 million for the Period, due to the stringent cost control measures implemented by the Company.

Finance costs

Interest expenses increased by approximately RMB5.3 million from approximately RMB7.2 million for the corresponding period in 2023 to approximately RMB12.5 million for the Period due to an increase in interest rate in some new loan raised in refinancing certain borrowings and an increase in debt raised for general working capital during the Period.

Loss/profit before taxation

Loss before taxation was approximately RMB28.2 million for the Period, decreased by approximately RMB76.9 million from profit of approximately RMB48.7 million for the corresponding period in 2023, due to the aforementioned factors.

Taxation

The Group recorded tax credit of approximately RMB2.5 million during the Period, compared to tax expenses of approximately RMB14,000 for the corresponding period in 2023.

Profit for the Period

Other comprehensive expenses

During the year ended 31 December 2023, the Company, through its indirectly 51% owned subsidiary, Comtec Energy Storage Technology (Liaoning) Limited (卡姆丹克儲能科技) ("Comtec Liaoning"), invested into 15% equity interests in Shenyang Guoyun Weikong Energy Storage Technology Limited (瀋陽國雲) ("Shenyang Guoyun"). Shenyang Guoyun, through Yongji Guoyun, being its wholly-owned subsidiary, holds the development project of a FLBH Energy System in the Economic and Technological Development Zone, Yongji City, Shanxi Province, the PRC. The valuation of such investment is recorded as financial asset with fair value measured through other comprehensive income/(expenses). As at 30 June 2024, the valuation amounted to amounted to RMB2.4 million (31 December 2023: RMB2.9 million) on the consolidated balance sheet of the Group.

As a result, the Group recorded other comprehensive expenses attributable to the owners of the Company of approximately RMB0.6 million during the Period (for the 6-month ended 30 June 2023: nil).

Loss and total comprehensive expenses attributable to the owners of the Company

Loss and total comprehensive expenses attributable to the owners of the Company in the first half of 2024 amounted to RMB25.5 million, representing a decrease of 152% year-on-year.

Interim dividend

The Board resolved not to declare an interim dividend for the Period (six months ended 30 June 2023: nil).

Liquidity and financial resources

As at 30 June 2024, the Group's current ratio (current assets divided by current liabilities) was 0.39 (31 December 2023: 0.46). The gearing ratio (total liabilities divided by total equity) was 2.1 (31 December 2023: 2.5). The Group had a working capital deficit (total consolidated current liabilities exceeded total consolidated current assets) of approximately RMB157.7 million as of 30 June 2024 (31 December 2023: approximately RMB157.5 million). Also, the Group recorded net liabilities of approximately RMB146.0 million as of 30 June 2024 (31 December 2023: approximately RMB134.4 million).

The Company has completed the three subscription agreements (the "Subscription Agreements") on 28 February 2024. The Subscription Agreements were originally entered into, on 30 June 2023, with China Success Investment Group Limited ("China Success"), Mr. Wu Jun ("Mr. Wu") and Ms. Zhao Xiaoqun ("Ms. Zhao"). Under the Share Subscription Agreements, 58,821,657, 31,543,827 and 67,976,316 shares of the Company were issued and allotted, under general mandate, to China Success, Mr. Wu and Ms. Zhao, respectively on 28 February 2024, at the issue price of HK$0.105 per subscription share. The shares were issued to China Success to settle the loans owned to China Success partially in the amount of HK$6.2 million (equivalent to approximately RMB5.6 million. The shares issued to Ms. Zhao was used to settle in full loan outstanding to her in the amount of HK$1.2 million (approximately RMB1.1 million). Apart from the above loan capitalisation, the Company received, in aggregate after deducting the relevant expenses, HK$8.7 million (equivalent to approximately RMB8.3 million) from Mr. Wu and Ms. Zhao accordingly.

The aggregate nominal value of all the subscription shares is HK$0.004. The market price of the subscription shares was HK$0.129 per Share as quoted at the close of market on the Stock Exchange on 30 June 2023, being the date of the Subscription Agreements. The net subscription price per subscription share is approximately HK$0.102.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, on the date of the Subscription Agreements, each of China Success, Mr. Wu and Ms. Zhao are not connected person (as defined in the Listing Rules) of the Company and on the date of the Subscription Agreements, save for the holding of shareholding interests of approximately 5.12% and 7.07% of the issued share capital of the Company by China Success and Mr. Wu respectively.

Upon completion of all the Subscription Agreements, each of China Success, Mr. Wu and Ms. Zhao is interested in approximately 9.91%, 8.98% and 6.41% of the enlarged issued share capital of the Company and remained not a substantial shareholder of the Company.

The Group will continue to strengthen our financial position and enhance the cash flow by ways including making the biggest efforts to improve operating performance, exploring collaborations with institutional investors, introducing new strategic investors and pursuing growth through considering possible and adequate fund raising, financial restructuring, M&A and partnerships.

Use of Proceeds from Share subscriptions

As mentioned above, the Company has completed the three share subscriptions on 28 February 2024 and received cash proceeds of RMB8.7 million. The cash proceeds were used fully to repay the Company's debt and payables during the Period.

Capital commitments

As at 30 June 2024, the Group's capital commitment was nil (31 December 2023: nil). The Group currently has no plan to further expand its production capacity of traditional solar manufacturing business. In addition, the Group would carefully plan for the expansion of its rooftop distributed generation projects, power storage business and the logistics business which would depend on and subject to the market conditions and opportunities.

Contingent liabilities

As at 30 June 2024, there was no material contingent liability (31 December 2023: nil).

Charges on group assets

As at 30 June 2024, the Group had no restricted cash (31 December 2023: nil), and pledged certain, right-of-use assets, trade receivables and plant and machines to secure financing facilities granted to the Group. Save as disclosed above, as at 30 June 2024, no other assets of the Group were charged.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Period, save as disclose in other section of this announcement, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

SIGNIFICANT INVESTMENT HELD

During the Period, the Company, through its indirectly 51% owned subsidiary, Comtec Liaoning (卡姆丹克儲能科技), continued to invest in 15% equity interests in Shenyang Guoyun (瀋陽國雲). Shenyang Guoyun, through Yongji Guoyun, being its wholly-owned subsidiary, holds the development project of a FLBH Energy System in the Economic and Technological Development Zone, Yongji City, Shanxi Province, the PRC. The valuation of such investment is recorded as financial asset with fair value measured through other comprehensive income. As at 30 June 2024, the valuation amounted to amounted to RMB2.4 million (31 December 2023: RMB2.9 million) on the consolidated balance sheet of the Group.

On 28 November 2023, Comtec Liaoning, as lender entered into the loan agreement with Shenyang Guoyun, as borrower, pursuant to which, Comtec Liaoning agreed to grant a loan of RMB8.5 million to Shenyang Guoyun, for a term of 36 months from the date of drawdown (i.e. on or before 15 December 2023). The loan is unsecured and it bears interest of 10% per annum.

OUTLOOK

Asset allocation and/or refinancing, and deleveraging

As the Group has fully suspended its upstream manufacturing business including manufacturing and sales of solar wafers and related products which recorded operating losses in the last few years and has been undergoing corporate restructuring since 2020, we have diligently executed our strategies of disposing assets and properties with low utilisation to improve asset utilisation, reallocating resources to improve our capital structure, lowering our gearing ratio, and refinancing our assets and properties to enhance cashflow when opportunities arise.

Further implementation of the strategic cooperation framework agreement

On 16 March 2021, the Company has entered into a strategic cooperation framework agreement (the "Framework Agreement") with Jiangsu Changzhou Tianning Economic Development Zone Management Committee* (江蘇常州天寧經濟開發區管理委員會) ("Tianning EDZ Management Committee") and Changzhou Tianning Investment Service Centre* (常州市天寧區招商服務中心). For this regard, the Group has, by way of setting up a wholly-owned subsidiary for centralised management, relocated its headquarter to Tianning District, Changzhou City, Jiangsu Province ("Tianning, Changzhou") in March 2021. Given the establishment of the new headquarter, Tianning EDZ Management Committee provided the agreed government subsidy of RMB10,000,000 to the Group in May 2021 as stipulated in the Framework Agreement, which demonstrated the government's confidence in and support for the Group's future development. Apart from the existing energy businesses of the Group, such establishment has also enabled the Group to make presence in new businesses, including, inter alia, intelligent logistics and renewable energy business, and to establish and operate a new energy-asset trading platform in Tianning, Changzhou as and when appropriate.

Pursuant to the Framework Agreement, Tianning EDZ Management Committee also agreed to make equity investments in and provide further support for the Group (as detailed in the announcement of the Company dated 18 March 2021) for engaging in intelligent logistic business. However, amid the prolonged COVID-19 pandemic, the progress of the Group's development plan has been significantly hindered. As China has been gradually delivering economic recovery this year, the Group expects that the progress in its business layout for intelligent logistics and new energy operations would be back on track. Further update on the implementation of the Framework Agreement will be announced by the Company as and when appropriate.

Further development of the logistics business segment

The Group plans to endeavour into the fields of carriage of dangerous goods, intelligent logistics and logistics finance by obtaining relevant licenses where necessary and partnering with certain local PRC government(s) as equity investor(s) as well as teams of specialists with industry knowhow and IT engineering expertise.

Strengthening our EPC business

Benefiting from national policy and the government's active promotion of achieving the goals of "carbon peak" and "carbon neutrality," the popularity of distributed photovoltaic power generation continues to rise, creating significant market development opportunities.

The Group has undertaken more than 30 distributed photovoltaic power generation EPC projects since 2017, including a project located in Shanghai with a capacity of 4,000 kW this year. Hampered by the COVID-19 pandemic in the past few years, the EPC business has been slowed down, and the Group now focuses on strengthening its EPC business by forming partnership(s) with professional industry investor(s) to undertake more EPC projects in the coming years. The Company will make further update(s) and/or announcement(s) on this as and when appropriate.

Strategic investments

The Group keeps an open mind for solid investment opportunities which can benefit our Group by, among others, delivering satisfying returns, bringing synergy and opportunities to existing businesses of the Group and enabling the Group to promote industrial upgrading. For instance, the Group invested in a frequency modulation energy-storage power station project (which involves an innovative flywheel energy storage technology) with a state-owned enterprise and one of the flywheel energy storage leaders in 2023. The Directors will continue to explore different opportunities and the potential opportunities of such investments will be disclosed as and when appropriate.

EVENTS AFTER THE HALF-YEAR PERIOD

On 11 July 2024, the Company received a winding-up petition (the "Petition") filed by Putana Limited ("Putana") against the Company, under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in the High Court of Hong Kong. The Petition was filed in connection with outstanding borrowings indebted to Putana by the Company in an aggregate amount of approximately US$0.8 million under a facility agreement entered into between the Company and Putana on or around 11 December 2019 which was subsequently amended by an amendment agreement on 13 March 2020.

Pursuant to section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), any disposition of the property of the Company, including things in action, and any transfer of shares of the Company ("Shares"), or alteration in the status of the members of the Company, made after the commencement of the winding up, namely the date of the presentation of the Petition ("Commencement Date"), shall, unless the court otherwise orders, be void. Any disposition made on or after the Commencement Date will not be affected if the Petition is subsequently withdrawn or dismissed, or a winding-up order is permanently stayed.

Pursuant to the circular dated 28 December 2016 published by the Hong Kong Securities Clearing Company Limited ("HKSCC") (ref no. CD/DNS/CCASS/332/2016): (a) the transfer of the Shares made after the Petition has been presented may be void without a validation order from the court under the laws and regulations applicable to the Company; and (b) HKSCC may at any time, and without notice, to temporarily suspend any of its services in respect of the Shares, which may include the suspension of acceptance of deposits of share certificates of the Company into the CCASS; and the share certificates of the Company received by HKSCC but not yet re-registered in HKSCC Nominee Limited's name will also be returned to participants who conduct shares transfer through HKSCC ("Participant(s)") and HKSCC shall reserve the right to reverse any credit granted to such Participant by debiting the relevant shares from its CCASS account accordingly.

These measures would generally cease to apply from the date when the Petition has been struck out, dismissed or permanently stayed, or the Company has obtained the necessary validation order from the relevant court.

The Petition was filed in the High Court of Hong Kong only as an application for the winding-up of the Company and as at the date of this results announcement, no winding-up order has been granted by the High Court of Hong Kong to wind-up the Company.

On 8 August 2024, Putana and the Company have executed and filed a consent summons to the High Court of Hong Kong for the withdrawal of the Petition. On 21 August 2024, the High Court of Hong Kong granted leave for the Petitioner to withdraw the Petition.

The Company has been actively negotiating with Putana for a settlement plan. Given that an investor introduced by the Company has provided and is willing to further provide financial support for settlement, the Company is confident to reach settlement with Putana. Given that the outstanding borrowing amount under the Petition is not significant and the Company is confident to reach a settlement with Putana, the Company considers that the Petition does not have a material impact on the Company's financial performance and position. As of the date of this result announcement, the Company has yet to receive the relevant sealed order from the High Court of Hong Kong and yet to reach a consensus with Putana for a comprehensive settlement plan to settle all of the outstanding indebtedness owed by the Group to Putana. The Company will make further announcement(s) to keep its shareholders and potential investors informed of any updates and/or progress as and when appropriate in this regard.

CORPORATE GOVERNANCE

The Company is committed to preserve high standards of corporate governance in the interests of Shareholders. During the Period, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "CG Code") following the appointment of Ms. Qiu Ping, Maggie as an Independent Non-executive Director ("INED") of the Company, a member of the Audit Committee, Remuneration Committee and Nomination Committee, save as and except for the deviation below:

Pursuant to Corporate Governance Code Provision C.2.1, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The Company currently has no Chief Executive Officer following the resignation of Mr. Zhang Zhen in January 2021. The daily operation and management of the Company is undertaken and monitored by Mr. John Yi Zhang, an executive Director, and Mr. Che Xiaoxi, the chief operating officer. Meanwhile, Mr. Che Xiaoxi is also responsible for the day-to-day management, administration and operation of the Company. The delegated functions and work tasks are periodically reviewed. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of Chairman and Chief Executive Officer is necessary.

Following the appointment of the new INED, the Board has achieved its gender diversity target of not less than 10% for female Directors representation on the Company's Board during its meeting in March 2023.

MODEL CODE

The Company has adopted the Model Code set out in Appendix C3 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors of the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the Period.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The audit committee of the Company has held meetings to discuss the internal controls, risk management and financial reporting matters of the Company, including the review of the unaudited interim results and the unaudited condensed consolidated financial statements of the Group for the Period.

INTERIM DIVIDEND

The Board does not recommend any interim dividend to be declared for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that was publicly available to the Company and to the best knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules during the Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.comtecsolar.com). The interim report for the Period containing all the information required by Appendix D2 to the Listing Rules will be dispatched to Shareholders (if requested) and available on the above websites in due course.

DEFINITIONS

"Board" or "Board of Directors"	the board of Directors
"Company"	Comtec Solar Systems Group Limited
"Convertible Bonds"	the convertible bonds due 2021 with interests issued by the Company to Putana Limited, a company incorporated under the laws of British Virgin Islands and an independent third party, and such issuance was completed and closed on 31 July 2018
"Corporate Governance Code"	Code on corporate governance practices contained in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of certain properties in Shanghai comprise of two land use rights and seven factory buildings
"Framework Agreement"	A strategic cooperation framework agreement which the Company entered with Jiangsu Changzhou Tianning Economic Development Zone Management Committee and Changzhou Tianning Investment Service Centre on 16 March 2021
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected persons
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange

“Model Code”	Model code for securities transactions by directors of listed issuers contained in Appendix C3 to the Listing Rules
“Period”	The six months ended 30 June 2024
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Ordinary share(s) of HK$0.004 each in the share capital of the Company
“Share Consolidation”	the share consolidation of every four issued and unissued Unconsolidated Shares into one (1) Share
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Unconsolidated Share(s)”	ordinary share(s) of HK$0.001 each in the share capital of the Company prior to the Company’s share consolidation which took effect on 28 August 2019
“USD”	United States dollars, the lawful currency of the United States of America
“*”	For identification only
“%”	per cent

By order of the Board of
Comtec Solar Systems Group Limited
John Yi Zhang
Chairman

Shanghai, the People’s Republic of China, 30 August 2024

As at the date of this announcement, the executive Director is Mr. John Yi Zhang, the non-executive Directors are Mr. Dai Ji and Mr. Qiao Fenglin, and the independent non-executive Directors are Mr. Jiang Qiang, Dr. Yan Ka Shing and Ms. Qiu Ping, Maggie.