



Jintai Energy Holdings Limited

金泰能源控股有限公司

(Incorporated in the Cayman Islands with limited liability) (Stock Code: 2728)

Interim Report

2024



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Han Jinfeng (*Chairman*)
Mr. Yuan Hongbing
(*Chief Executive Officer*)

Non-Executive Director

Mr. Chen Yunwei

Independent Non-Executive Directors

Mr. Tche Heng Hou Kevin
Mr. Mak Tin Sang
Mr. Jiang Hao

AUDIT COMMITTEE

Mr. Tche Heng Hou Kevin
(*Chairman of the Committee*)
Mr. Mak Tin Sang
Mr. Jiang Hao

REMUNERATION COMMITTEE

Mr. Mak Tin Sang
(*Chairman of the Committee*)
Mr. Yuan Hongbing
Mr. Tche Heng Hou Kevin
Mr. Jiang Hao

NOMINATION COMMITTEE

Mr. Han Jinfeng (*Chairman of the Committee*)
Mr. Tche Heng Hou Kevin
Mr. Mak Tin Sang
Mr. Jiang Hao

AUTHORIZED REPRESENTATIVES

Mr. Zhou Chen
Mr. Yuan Hongbing

COMPANY SECRETARY

Mr. Zhou Chen

REGISTERED OFFICE

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

Golden Phoenix Building
No. 111 Liyi Road
Lijin County
Dongying City
Shandong Province
The People's Republic of China

Corporate Information

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 2601-2603
26/F, Shui On Centre
6-8 Harbour Road
Wan Chai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
Royal Bank House — 3rd Floor
24 Shedden Road, P.O. Box 1586
Grand Cayman, KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong
Investor Services Limited
17M Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

PRINCIPAL BANKERS

China Merchants Bank
Dongying Bank Co., Limited
Industrial and Commercial Bank of
China Limited
Nanyang Commercial Bank, Limited

LEGAL ADVISERS

As to Hong Kong law
Raymond Siu & Lawyers

As to Cayman Islands law
Conyers Dill & Pearman, Cayman

STOCK CODE

2728 (listed on the Main Board of The Stock
Exchange of Hong Kong Limited)

WEBSITE

www.jintaienergy.com

Management Discussion and Analysis

BUSINESS REVIEW

The Group was principally engaged in three businesses: (i) energy business which comprised mainly the trading of energy-related products; (ii) operation of digital energy trading parks; and (iii) drilling services during the six months ended 30 June 2024 (the “**Current Period**”).

The Group’s revenue during the Current Period was approximately HK\$128.72 million, representing a significant increase of approximately 822.25% as compared to approximately HK\$13.96 million for the corresponding period in 2023 (the “**Corresponding Period**”). The gross profit during the Current Period was approximately HK\$4.42 million (2023 interim: gross profit of approximately HK\$12.50 million), representing a significant decrease of approximately 64.61% or HK\$8.07 million.

Energy business

The Group, having taken into account the best interest of the Company and its shareholders, has temporarily suspended a substantial part of its energy business since October 2021 due to the exposure of energy business to a higher risk resulting from the volatility in the prices of crude oil and certain petrochemicals and the economic uncertainty subsequent to the prolonged COVID-19 pandemic worldwide and the military conflict between Ukraine and Russia.

Since July 2023, the Group has resumed its energy business after considering that the global oil price and certain petrochemicals price have become relatively stable.

The Group entered into purchase agreements with suppliers to produce specific energy-related products and made certain prepayments to suppliers before delivery and entered into sales agreements with customers to sell the specific energy-related products with its own discretion.

During the Current Period, the revenue and the gross margin derived from the energy trading business was approximately HK\$122.88 million (2023 interim: nil), and 0.49% (2023 interim: nil). The increase in revenue was mainly due to the Group having just resumed this business since July 2023 and the low gross margin is due to keen competition in the industry.

Management Discussion and Analysis

Operation of digital energy trading parks

The business operation of the digital energy trading parks has been rapidly expanding since its commencement in the second half of 2020. The Group has signed cooperation agreements with various entities in 16 cities/regions of China, and successfully introduced not less than 600 enterprises into the digital energy trading parks as at the date of this report. The operation and service business of digital energy trading parks generates stable income to the Group through: (1) receiving fixed service fees from enterprises in the trading parks on an annual basis; (2) receiving service fees based on the value-added services provided to the enterprises in the trading parks; and (3) applying for tax incentives or financial subsidies from local governments based on the economic benefits of the operation of the trading parks.

During the Current Period, the revenue derived from the operation of digital energy trading parks was approximately HK\$5.84 million (2023 interim: approximately HK\$13.96 million). The Company believes that the digital energy trading parks business will continue to contribute economic benefits and bring new opportunities for the energy trading business of the Group in the future.

Drilling Services

The Group has completed drilling services of certain oil wells through its wholly-owned subsidiary, Ningxia Deliheng Oil and Gas Technology Service Company* (寧夏德力恒油氣技術服務有限公司) (“**Ningxia Deliheng**”) in 2021. Ningxia Deliheng had entered into the SL16-5-4 and SL27 Well Agreement in late 2019 with Beijing Huaye Jinquan Petroleum Energy Technology Development Company Limited, Yanchi Branch* (北京華燁金泉石油能源技術開發有限公司鹽池分公司) (“**Beijing Huaye**”) pursuant to which Ningxia Deliheng provided drilling services of 19 oil wells for Beijing Huaye for the purpose of extraction of oil under the SL16-5-4 and SL27 Well Agreement. The drillings were commenced by 4 June 2021 and has been completed in June 2021.

The Group has further entered into a new drilling service agreement with Beijing Huaye to provide drilling services for 63 oil wells with a contract sum of over RMB748 million in the second half of 2021. As certain conditions precedent have not yet been fulfilled, the new drilling services of the 63 oil wells of the Group has been deferred and has not yet commenced at the date of this report.

During the Current Period, the revenue derived from the drilling services business was nil (2023 interim: nil).

Management Discussion and Analysis

PROSPECTS

Looking forward to the second half of 2024, the risk of stagflation in the global economy is expected to increase and the overall market conditions will remain uncertain. The Group expects to face various challenges such as price fluctuation in oil and certain petrochemicals caused by the continuation of the military conflict between Ukraine and Russia and the economic uncertainty subsequent to the prolonged COVID-19 pandemic.

1. Energy Business

The Group will continue to explore opportunities of development of energy-related products and services in order to strengthen the energy business and to enhance the business competitiveness and profitability. The Group will endeavour to have business cooperation with large state-owned enterprises in order to minimize the risk of energy business. The Group will also closely monitor the global oil price fluctuation.

2. Digital Trading Industry Park Operation

The Group has been successful in developing the “digital trading industry park” operation service for the petrochemical energy industry and has signed cooperative contracts with various enterprises in 16 cities and regions of China to co-build the Jintai Energy Digital Trading Industry Park since its commencement. The Group has introduced not less than 600 enterprises to the digital park. The Group aims to achieve an operation of 30 industry digital parks, introducing more than 2,000 enterprises. The Group will continue to broaden its customer base to the digital trading industry in order to achieve a sustainable growth in the future.

3. Business Expansion

The Group will continue to explore new investment and business opportunities in various fields including oil exploration and development.

To cope with the challenging environment, the Group will continue to identify and evaluate various development opportunities to strengthen our competitive advantages through deployment of more resources for capturing the market potentials and broaden its source of revenue so as to create value for shareholders. The board (the “**Board**”) of directors (“**Directors**”) are confident to achieve sustainable growth and bring greater returns to our shareholders in the long run.

Management Discussion and Analysis

FINANCIAL REVIEW

Results of Operations

Revenue

During the Current Period, the revenue of the Group increased significantly to approximately HK\$128.72 million (2023 interim: approximately HK\$13.96 million), representing an increase of approximately 822.25% as compared to the Corresponding Period. The increase in revenue was mainly attributable to the temporary suspension of the energy trading business since October 2021 the same of which was resumed since July 2023 and was partially net off by the decrease in revenue derived from the operation of digital energy trading parks. In the Current Period, revenue derived from the energy trading business was approximately HK\$122.88 million while there was no revenue generated in the Corresponding Period. Revenue derived from operation of digital energy trading parks was approximately HK\$5.84 million in the Current Period, representing a decrease of approximately 58.18% as compared with the revenue of approximately HK\$13.96 million in the Corresponding Period. The decrease in revenue from the operation of digital energy trading parks was primarily attributable to the challenging business environment.

Net Loss

During the Current Period, the Group recorded a net loss attributable to the owner of the Company of approximately HK\$11.62 million (2023 interim: net loss of approximately HK\$42.52 million). The net loss in the Current Period was mainly attributable to the decrease in revenue and segment loss derived from the operation of digital energy trading parks.

Operating Costs

The operating costs were approximately HK\$15.86 million during the Current Period (2023 interim: approximately HK\$16.72 million), representing a decrease of approximately 5.18% as compared to the Corresponding Period. The decrease was mainly due to the decrease in depreciation charge on property, plant and equipment and right-of-use assets during the Current Period.

Management Discussion and Analysis

Finance Costs

The finance costs of the Group were approximately HK\$5.48 million during the Current Period, representing a decrease of approximately 31.41% as compared with approximately HK\$7.99 million for the Corresponding Period. The decrease was mainly due to the default interest accrued on the Convertible Notes recognised in the Corresponding Period while there was no such amount in the Current Period. The Convertible Notes matured in July 2022 and the third supplemental deed was signed by the relevant parties and ordinary resolutions approving the same have been passed by the shareholders of the Company in May 2023. Default interest was recognised for this in the Corresponding Period.

Loss per Share

For the Current Period, the basic loss per share was approximately HK\$0.26 cents (2023: basic loss per share of approximately HK\$0.95 cents), representing a decrease of approximately 72.68% as compared with the Corresponding Period.

FINANCIAL POSITION

Trade and Other Receivables and Prepayments

As at 30 June 2024, the Group's trade and other receivables and prepayments were approximately HK\$4.57 million (as at 31 December 2023: approximately HK\$276.61 million). The decrease was mainly due to subsequent settlement of trade receivables and subsequent utilization of prepayments to suppliers during the Current Period.

Liquidity and Financial Resources

As at 30 June 2024, the Group had cash and cash equivalents of approximately HK\$282.88 million (as at 31 December 2023: approximately HK\$25.23 million), which were mainly denominated in Hong Kong dollars (HK\$), US dollars (US\$) and Renminbi (RMB).

As at 30 June 2024, the Group's net current assets were approximately HK\$208.79 million (as at 31 December 2023: approximately HK\$220.11 million). The Group's current ratio, being the ratio of total current assets to total current liabilities, was approximately 3.65 as compared to approximately 3.69 as at 31 December 2023.

The Group had bank and other borrowings of approximately HK\$13.39 million (as at 31 December 2023: approximately HK\$13.39 million) which were denominated in Renminbi and Hong Kong dollars. The aforesaid bank and other borrowings was accounted for current liabilities of the Group and repayable within one year.

Management Discussion and Analysis

On 20 March 2023, the Company entered into the third supplemental deed for the amendments to the terms and conditions of the Convertible Notes, and ordinary resolutions approving the same have been passed by the shareholders of the Company on 5 May 2023. Pursuant to the third supplemental deed, the Convertible Notes will be redeemed on 17 July 2025 and the interest on the notes was charged at 8% per annum until the settlement date. Except for the above, all other terms of the Convertible Notes remain unchanged. As at 30 June 2024, the carrying amount of the principal and the interest payables of the Convertible Notes issued by the Group was approximately HK\$141.40 million (as at 31 December 2023: approximately HK\$136.22 million).

The Group had issued bonds in the principal amount of approximately RMB23.48 million as consideration for the acquisition of entire interest of Lijin Shuntong Logistics Company Limited (利津順通物流有限公司) in August 2020. The bonds bear interest at 5% per annum, payable on the maturity date of 23 October 2023. On 12 October 2023, the Company entered into a supplemental agreement with the bondholder, Mr. Chen Qiusan, to extend the maturity date of the bonds to 23 March 2024 while other terms remain unchanged. All outstanding amount under the bonds was settled on 23 March 2024. As at 31 December 2023, the carrying amount of bonds was approximately HK\$29.85 million.

Capital Structure and Gearing Ratio

As at 30 June 2024, the total number of issued shares of the Company was 4,455,020,888 shares (as at 31 December 2023: 4,455,020,888).

As at 30 June 2024, the share capital and equity attributable to owners of the Company amounted to approximately HK\$5.57 million and approximately HK\$67.75 million respectively (as at 31 December 2023: approximately HK\$5.57 million and approximately HK\$84.76 million respectively).

As at 30 June 2024, the gearing ratio of the Group was approximately 228% (as at 31 December 2023: approximately 212%), which was computed by dividing the total borrowings of approximately HK\$154.78 million (as at 31 December 2023: approximately HK\$179.45 million) by the equity attributable to the owners of the Company of approximately HK\$67.75 million (as at 31 December 2023: approximately HK\$84.76 million).

Pledge on the Group's assets

As at 30 June 2024, no assets of the Group have been pledged as security for the borrowings of the Group (as at 31 December 2023: nil).

Management Discussion and Analysis

Significant Investments and Material Acquisitions or Disposals

Save as disclosed in this report, the Group did not have significant investment or any material acquisition or disposal of subsidiaries for the six months ended 30 June 2024.

Treasury Policies

The Group does not engage in any leverage or derivative arrangements, since most of the Group's assets and liabilities are denominated in HK dollars, Renminbi or US dollars and the exchange rates of such currencies were relatively stable over the Current Period. The Directors believe that the Group's exposure to fluctuation in those currencies does not have any significant adverse effect to the Group. Nonetheless, the Group will closely monitor its foreign currency exposure and arrange for hedging facilities when necessary.

Contingent Liabilities

Save for disclosed in this report, as at 30 June 2024, the Group did not have any material contingent liabilities (as at 31 December 2023: nil).

Convertible Notes

On 29 May 2019, the Company has entered into a subscription agreement with Win Win International Strategic Investment Funds SPC (for the account and on behalf of Win Win Stable No. 1 Fund SP) ("**Win Win**"), pursuant to which the Company has issued the Convertible Notes in the principal amount of HK\$110,952,907. Win Win has subsequently transferred its interest in the Convertible Notes to Qilu International Funds SPC (for the account and on behalf of Zhongtai Dingfeng Classified Fund SP) ("**Qilu**") on 4 May 2020. The original maturity date was 17 July 2020 and the original conversion price was HK\$0.184 per conversion share.

On 16 July 2020, the Company has entered into a supplemental deed with Qilu to (a) amend the conversion price to HK\$0.134; (b) amend the number of conversion shares in light of the amendment to the conversion price; (c) extend the maturity date to 17 July 2021, and extend the end of the conversion period to 4:00 p.m. (Hong Kong time) on the maturity date; and (d) the interest payment dates shall be 18 January 2021 and 17 July 2021. On 23 October 2020, ordinary resolutions approving the Supplemental deed have been passed by the shareholders of the Company.

On 4 August 2021, the Company entered into the second supplemental deed (the "**Second Supplemental Deed**") with Qilu to (a) extend the maturity date to 17 July 2023 and extend the end of the conversion period to 4:00 p.m. (Hong Kong time) on the extended maturity date; and (b) the interest payment dates shall be 17 January 2023 and 17 July 2023. On 20 October 2021, ordinary resolutions approving the Second Supplemental Deed have been passed by the shareholders of the Company.

Management Discussion and Analysis

On 20 March 2023, the Company entered into the third supplemental deed (the “**Third Supplemental Deed**”) with Qilu to (a) aggregate all accrued and unpaid interest up to 18 July 2022 in the sum of HK\$12,337,857.56 with the original principal amount of the Convertible Notes, i.e. HK\$110,952,907, totalling HK\$123,290,764.56, which is treated as the new outstanding principal amount; (b) amend the interest rate to 8.00% per annum from 19 July 2022 onwards; (c) extend the Maturity Date to 17 July 2025 and extend the end of the conversion period to 4:00 p.m. (Hong Kong time) on the extended maturity date; and (d) the interest payment date shall be 17 July 2025. On 5 May 2023, ordinary resolutions approving the Third Supplemental Deed have been passed by the shareholders of the Company.

All of the net proceeds have already been used for redemption of the notes issued by the Company in 2017 and repayment of bank loans.

As at 30 June 2024 and 31 December 2023, the carrying amount of the principal and the interest payables of the Convertible Notes were approximately HK\$141.40 million and HK\$136.22 million respectively.

Further details of the issuance of Convertible Notes, the first, second and third supplemental deeds are set out in the announcements of the Company dated 29 May 2019, 11 June 2019, 2 July 2019, 7 July 2019, 17 July 2019, 16 July 2020, 23 October 2020, 3 November 2020, 4 August 2021, 31 August 2021, 20 October 2021, 20 March 2023 and 5 May 2023 and the circulars of the Company dated 8 October 2020, 4 October 2021 and 19 April 2023.

Human Resources and Remuneration

The Group has employed a total of approximately 157 employees as at 30 June 2024 (as at 30 June 2023: approximately 133 employees) in Hong Kong and the PRC. Staff costs (excluding Directors’ emoluments) during the Current Period amounted to approximately HK\$9.21 million (2023 interim: approximately HK\$6.22 million). The Group recruits and selects candidates based on their qualifications and suitability for the position. It is the policy of the Group to recruit the most capable person available for each position.

The remuneration package of the Group’s employees includes salary and bonus, which are generally determined by their qualifications, industry experiences, positions and experience. The Group makes contributions to social insurances and housing provident funds as required by the PRC laws and regulations.

Management Discussion and Analysis

Connected Transactions

Drilling services

On 10 August 2021, Ningxia Deliheng Oil and Gas Technology Service Company (寧夏德力恒油氣技術服務有限公司) (“**Ningxia Deliheng**”), an indirect wholly-owned subsidiary of the Company and Beijing Huaye Jinqian Petroleum Energy Technology Development Company Limited, Yanchi Branch (北京華燁金泉石油能源技術開發有限公司鹽池分公司) (“**Beijing Huaye**”) entered into an agreement regarding oil well drilling in Huian Oil Field (惠安油田), the PRC (the “**Huian Well Agreement**”). Pursuant to the Huian Well Agreement, Ningxia Deliheng agreed to provide drilling services of an aggregate of 63 oil wells for Beijing Huaye for the purpose of extraction of oil at an aggregate consideration of approximately RMB748 million.

Mr. Han Jinfeng, an executive Director and the chairman of the Company, is a majority ultimate beneficial shareholder of Beijing Huaye (holding 64% effective interest thereof). Therefore, the Huian Well Agreement constituted a connected transaction of the Company. Mr. Han Jinfeng is a cousin of Mr. Chen Jinle, the Chairman, an executive director and substantial shareholder of the Company at the material time when the Huian Well Agreement was entered into, the Huian Well Agreement constituted a connected transaction of the Company. As at the date of this report, Mr. Han Jinfeng is an executive director and the chairman of the Company.

As at the date of this report, since certain conditions precedent have not yet been fulfilled, the Huian Well Agreement has not been performed yet.

For further details regarding the Huian Well Agreement, please refer to the announcements of the Company dated 10 August 2021 and 19 August 2021.

EVENTS AFTER THE REPORTING PERIOD

There were no significant subsequent events that needed to be disclosed by the Group since 30 June 2024 and up to the date of this report.

FUTURE PLANS FOR MATERIAL INVESTMENTS, ACQUISITIONS AND CAPITAL ASSETS

Save as disclosed in this report, the Group did not have other future plans for material investments, acquisitions and additions of capital assets as at 30 June 2024.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (2023: nil).

Corporate Governance and Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company considers that good corporate governance is crucial for its long-term success and sustainable business development. During the Current Period, the Company has complied with all the code provisions of the Corporate Governance Code (the “**Code**”) as set out in Appendix C1 of the Listing Rules, save and except for the following deviation:

Pursuant to code provision C.1.6 of the Code, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Our non-executive Director, Mr. Chen Yunwei was unable to attend the annual general meeting of the Company held on 12 June 2024 due to other work commitments.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as its code of conduct regarding the company’s directors’ securities transactions. Having made specific enquiry by the Company, all Directors have confirmed that they had complied with the required standards set out in the Model Code and the Company’s code of conduct regarding Director’s securities transactions throughout the Current Period.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) assists the Board in discharging its responsibilities for corporate governance, financial reporting and corporate control. The primary duties of the Audit Committee are to, among others, review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Tche Heng Hou Kevin, Mr. Mak Tin Sang and Mr. Jiang Hao. The chairman of the Audit Committee is Mr. Tche Heng Hou Kevin, who holds the appropriate professional accounting qualification and financial management expertise as required under the Listing Rules.

The interim results of the Group for the six months ended 30 June 2024 have not been audited. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024 and this report with the Directors and the senior management of the Group.

Corporate Governance and Other Information

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

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

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests and short positions of each Director and the chief executive officer (the "CEO") of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

<u>Name of Director</u>	<u>Capacity</u>	<u>Number of Shares held/ interested⁽¹⁾</u>	<u>Total number held/ interested of shares</u>	<u>Approximate percentage Of the total issued shares</u>
Yuan Hongbing ("Mr. Yuan")	Beneficial owner	13,796,000	13,796,000	0.31%

Note:

- (1) Interests in shares stated above represent long positions.

Save as disclosed above, as at 30 June 2024, none of the Directors and the CEO had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2024, according to the register kept by the Company under section 336 of the SFO, the corporations or persons (other than a Director or CEO) had interests of 5% or more in the Shares or underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO were as follows:

Name	Capacity	Number of Shares held/ interested ⁽¹⁾	Approximate percentage of the total issued shares (as at 30 June 2024)
Qilu International Funds SPC (acting for and on behalf of Zhongtai Dingfeng Classified Fund SP) ("Qilu International")	Person having a security interest in shares	2,649,059,881	59.46%
Zhongtai International Asset Management (Singapore) Pte, Ltd. ("Zhongtai Singapore") ⁽²⁾	Investment manager	2,649,059,881	59.46%
Zhongtai International Asset Management Limited ("Zhongtai International") ⁽³⁾	Investment manager	2,649,059,881	59.46%
Win Win International Strategic Investment Funds SPC (acting for and on behalf of Win Win Stable No. 1 Fund SP) ("Win Win") ⁽⁴⁾	Person having a security interest in shares	1,821,053,112	40.88%
Zhongtai Innovation Capital Management Limited ("Zhongtai Innovation") ⁽⁵⁾	Investment manager	1,821,053,112	40.88%
Lin Caihuo ("Mr. Lin") ⁽⁶⁾	Beneficial owner	928,284,839	20.84%
Lin Aihua ("Ms. Lin") ⁽⁶⁾	Interest of spouse	928,284,839	20.84%
Chen Jinle ("Mr. Chen")	Interest of controlled corporations ⁽⁷⁾	892,768,273	20.56%
	Beneficial owner	23,340,000	
Oriental Gold Honour Joy International Holdings Limited ("Oriental Gold") ⁽⁷⁾	Beneficial owner	892,768,273	20.04%

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS (Continued)

Name	Capacity	Number of shares held/ interested ⁽¹⁾	Approximate percentage of the issued shares (as at 30 June 2024)
Niu Guangchang ⁽⁸⁾	Interest of controlled corporation	742,503,480	16.67%
Hong Kong Moral Co-operation Investment Limited (“Hong Kong Moral”) ⁽⁸⁾	Beneficial owner	742,503,480	16.67%
Cui Xianguo ⁽⁹⁾	Interest of controlled corporation	355,390,000	7.98%
Super Wise International Investment Limited (“Super Wise”) ⁽⁹⁾	Beneficial owner	355,390,000	7.98%

Notes:

- (1) Interests in shares stated above represent long positions.
- (2) Zhongtai Singapore is the fund manager of Qilu International and therefore by virtue of the SFO, Zhongtai Singapore is deemed or taken to be interested in all the Shares held by Qilu International.
- (3) Zhongtai International is the fund manager of Qilu International and therefore by virtue of the SFO, Zhongtai International is deemed or taken to be interested in all the Shares held by Qilu International.
- (4) The 1,821,053,112 shares were charged in favour of Win Win.
- (5) Zhongtai Innovation is the fund manager of Win Win and therefore by virtue of the SFO, Zhongtai Innovation is deemed or taken to be interested in all the Shares held by Win Win.
- (6) Ms. Lin is the spouse of Mr. Lin and therefore by virtue of the SFO, Ms. Lin is deemed or taken to be interested in all the shares held by Mr. Lin.
- (7) Oriental Gold is wholly-owned and controlled by Mr. Chen.
- (8) Hong Kong Moral is wholly-owned and controlled by Mr. Niu Guangchang.
- (9) Super Wise is wholly-owned and controlled by Mr. Cui Xianguo.

Save as disclosed above, as at 30 June 2024, no other person (other than a Director or CEO) had registered an interest or short position in the shares, underlying shares and debentures of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

Corporate Governance and Other Information

SHARE OPTION SCHEME

The former share option scheme of the Company expired on 25 June 2015. Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company on 16 September 2019, a new share option scheme of the Company (the “**New Scheme**”) was adopted by the Company accordingly and will expire on 15 September 2029. The Company operates the New Scheme for the purpose of providing incentives or rewards to selected eligible participants who contribute to the success of the Group’s operations. Subject to the restrictions under the Listing Rules, selected eligible participants of the New Scheme include directors, employees of the Company or any of its subsidiaries and any officers or consultants who will provide or have provided services to the Group.

The total number of securities available for issue under the New Scheme as at the date of this report was 806,700,000 shares, which represents approximately 18.11% of issued share capital of the Company as at the date of this report. For details, please refer to the circular of the Company dated 28 August 2019 and 27 April 2020 and the announcement of the Company dated 25 September 2019, 29 May 2020, 19 June 2020 and 20 May 2021 respectively.

On 20 May 2021, the Company granted a total of 125,000,000 share options (the “**Share Options**”) to 5 grantees (comprising 5 employees who are not a director, chief executive nor substantial shareholder of the Company nor an associate (as defined under the Listing Rules) of any of them) at the exercise price of HK\$0.15 per share under the New Scheme adopted by the Company on 16 September 2019 and refreshed on 29 May 2020. Further details are set out in the announcement of the Company dated 20 May 2021.

During the Current Period, no share option was granted, exercised, cancelled or lapsed.

As at 1 January 2024 and 30 June 2024, the number of options available for grant under the New Scheme was 50,251,740.

Save for the New Scheme, the Company does not have any other share scheme.

Corporate Governance and Other Information

SHARE OPTION SCHEME (Continued)

Details of the Share Options granted, exercised, forfeited, lapsed and outstanding under the New Scheme during the Current Period are as follows:

Name or category of participants	Date of grant (dd/mm/yyyy)	Exercise price after (before) share subdivision in 2018 HK\$	Vesting date (dd/mm/yyyy)	Exercise period (dd/mm/yyyy)	Number of share options					As at 30/06/2024
					As at 01/01/2024	Granted during the period	Exercised during the period	Forfeited during the period	Lapsed during the period	
DIRECTOR										
Mr. Yuan Hongbing	19/6/2020	0.145	19/6/2020	19/6/2020-18/6/2026	37,000,000	-	-	-	-	37,000,000
					37,000,000	-	-	-	-	37,000,000
OTHER PARTICIPANTS										
Eligible employees ⁽¹⁾	19/6/2015	0.64125 (1.2825)	19/6/2015	19/6/2015-18/6/2025	123,200,000	-	-	-	-	123,200,000
Eligible employees ⁽¹⁾	24/9/2019	0.15	24/9/2019	24/9/2019-23/9/2029	362,500,000	-	-	-	-	362,500,000
Eligible employees ⁽¹⁾	19/6/2020	0.145	19/6/2020	19/6/2020-18/6/2026	159,000,000	-	-	-	-	159,000,000
Eligible employees ⁽¹⁾	20/5/2021	0.15	20/5/2021	20/5/2021-19/5/2027	125,000,000	-	-	-	-	125,000,000
					769,700,000	-	-	-	-	769,700,000
				Total	806,700,000	-	-	-	-	806,700,000 ⁽²⁾

Notes:

1. Eligible employees are working under employment contracts that are regarded as “continuous contracts” for the purposes of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).
2. The share options are not subject to any performance target.
3. The number of Shares that may be issued in respect of the Share Options granted represents approximately 18.11% of the weighted average number of Shares in issue for the six months ended 30 June 2024 (i.e. 4,455,020,888 shares).

Corporate Governance and Other Information

UPDATE OF THE DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

There is no change of information of the Directors subsequent to the date of the Company's 2023 Annual Report and up to the date of this report which is required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules, throughout the six months ended 30 June 2024.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The interim results announcement and this interim report have been published on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at www.jintaienergy.com.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024

	Notes	Unaudited	
		Six months ended 30 June	
		2024	2023
		HK\$'000	HK\$'000
Revenue	6	128,718	13,957
Cost of sales		(124,295)	(1,460)
Gross profit		4,423	12,497
Other income		4,309	7,474
Other gains/(losses) — net		162	(6,039)
Share of loss of an associate		-	(578)
Reversal of impairment loss on trade and other receivables		-	89
Administrative expenses		(13,544)	(14,133)
Distribution expenses		(2,313)	(2,590)
Loss on disposal of subsidiaries	18	-	(1,758)
Operating loss	6, 7	(6,963)	(5,038)
Finance income		282	72
Finance costs		(5,482)	(7,992)
Finance costs — net		(5,200)	(7,920)
Loss before income tax		(12,163)	(12,958)
Income tax expense	8	(313)	(299)
Loss for the period		(12,476)	(13,257)
(Loss)/profit for the period attributable to:			
Owners of the Company		(11,619)	(42,522)
Non-controlling interests		(857)	29,265
		(12,476)	(13,257)
Loss per share attributable to owners of the Company			
Basic loss per share (HK cents)	9	(0.26)	(0.95)
Diluted loss per share (HK cents)	9	N/A	N/A

The notes on pages 28 to 58 form an integral part of this condensed consolidated financial information.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Loss for the period	(12,476)	(13,257)
Other comprehensive (expense)/income for the period		
<i>Items that may be reclassified to profit or loss</i>		
— Currency translation differences	(5,430)	(2,769)
— Translation reserve released upon disposal of subsidiaries	-	1,430
Total comprehensive expense for the period	(17,906)	(14,596)
Total comprehensive (expense)/income attributable to:		
Owners of the Company	(17,005)	(43,829)
Non-controlling interests	(901)	29,233
	(17,906)	(14,596)

The notes on pages 28 to 58 form an integral part of this condensed consolidated financial information.

Condensed Consolidated Statement of Financial Position

As at 30 June 2024

		Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	328	1,171
Right-of-use assets		241	1,728
		569	2,899
Current assets			
Trade and other receivables and prepayments	12	4,574	276,605
Cash and cash equivalents		282,879	25,230
		287,453	301,835
Total assets		288,022	304,734
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	13	5,569	5,569
Other reserves		398,585	403,971
Accumulated losses		(336,404)	(324,785)
		67,750	84,755
Non-controlling interests		122	1,039
Total equity		67,872	85,794

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2024

	Notes	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
LIABILITIES			
Non-current liabilities			
Convertible loan notes	16	141,397	136,221
Long service payments obligation		79	65
Lease liabilities		-	922
Deferred tax liabilities		7	7
		141,483	137,215
Current liabilities			
Trade and other payables	15	18,581	14,770
Current income tax liabilities		-	755
Amount due to a director		22,237	1,000
Amounts due to related parties		7,043	5,061
Amount due to a non-controlling shareholder of a subsidiary		16	16
Borrowings	17	13,387	13,387
Bond payables		-	29,845
Derivative financial liabilities	16	1,217	1,537
Lease liabilities		213	833
Contract liabilities		15,973	14,521
		78,667	81,725
Total liabilities		220,150	218,940
Net current assets		208,786	220,110
Total assets less current liabilities		209,355	223,009
Total equity and liabilities		288,022	304,734

The notes on pages 28 to 58 form an integral part of this condensed consolidated financial information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Unaudited					Total
	Attributable to owners of the Company					
	Share Capital	Other Reserves	Accumulated losses	Sub-total	Non- controlling interests	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 January 2024	5,569	403,971	(324,785)	84,755	1,039	85,794
Loss for the period	-	-	(11,619)	(11,619)	(857)	(12,476)
Currency translation differences	-	(5,386)	-	(5,386)	(44)	(5,430)
Total comprehensive expense for the six months ended 30 June 2024	-	(5,386)	(11,619)	(17,005)	(901)	(17,906)
Dividend paid to non-controlling interests	-	-	-	-	(16)	(16)
Balance at 30 June 2024	5,569	398,585	(336,404)	67,750	122	67,872

Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 June 2024

	Unaudited Attributable to owners of the Company					Total HK\$'000
	Share Capital HK\$'000	Other Reserves HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Non- controlling interests HK\$'000	
Balance at 1 January 2023	5,569	415,273	(306,816)	114,026	(12,760)	101,266
(Loss)/Profit for the period	-	-	(42,522)	(42,522)	29,265	(13,257)
Currency translation differences	-	(2,737)	-	(2,737)	(32)	(2,769)
Release of translation reserve upon disposal of subsidiaries	-	1,430	-	1,430	-	1,430
Total comprehensive (expense)/income for the six months ended 30 June 2023	-	(1,307)	(42,522)	(43,829)	29,233	(14,596)
Appropriation to statutory reserve	-	1,143	(1,143)	-	-	-
Recognition of equity component of convertible loan notes upon modification	-	941	-	941	-	941
Capital injection by non-controlling interests	-	-	-	-	53	53
Dividend paid to non-controlling interests	-	-	-	-	(5,206)	(5,206)
Disposal of subsidiaries	-	(7,430)	7,430	-	2,692	2,692
Balance at 30 June 2023	5,569	408,620	(343,051)	71,138	14,012	85,150

The notes on pages 28 to 58 form an integral part of this condensed consolidated financial information.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Notes	Unaudited	
		Six months ended 30 June	
		2024	2023
		HK\$'000	HK\$'000
Cash flows from operating activities			
Cash generated from/(used in) operations		270,960	(44,744)
Interest received		282	72
Income tax paid		(1,068)	(293)
Net cash generated from/(used in) operating activities		270,174	(44,965)
Cash flows from investing activities			
Purchases of property, plant and equipment	11	(53)	(212)
Proceeds from disposal of property, plant and equipment		491	-
Net cash outflow from disposal of subsidiaries	18	-	(14,827)
Refund of deposits paid for potential acquisition		-	258,418
Proceeds of consideration receivable arising from disposal of subsidiaries in prior year		-	13,715
Net cash generated from investing activities		438	257,094
Cash flows from financing activities			
Capital injection from non-controlling interests of a subsidiary		-	53
Dividend paid to non-controlling shareholders		(16)	(5,206)
Advance from related parties		2,115	587
Advance from a director		21,399	-
Repayment to a director		(162)	-
Repayment of bond payables		(29,741)	-
Advances from an associate		-	11,430
Repayments to an associate		-	(11,430)
Loan proceeds from other borrowings		-	3,000
Loan repayment to other borrowings		-	(159)
Repayment of lease liabilities		(714)	(1,573)
Interest paid on lease liabilities		(13)	(90)
Net cash used in financing activities		(7,132)	(3,388)

Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2024

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Net increase in cash and cash equivalents	263,480	208,741
Cash and cash equivalents at beginning of the period	25,230	49,238
Effect of foreign exchange rate changes	(5,831)	6,192
Cash and cash equivalents at end of the period	282,879	264,171

The notes on pages 28 to 58 form an integral part of this condensed consolidated financial information.

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 June 2024

1. GENERAL INFORMATION

Jintai Energy Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The addresses of the registered office is Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the principal place of business is Suite 2601-2603, 26F, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong.

The Company and its subsidiaries (together “**the Group**”) are engaged in energy business which comprises mainly the trading of energy-related products, operation of digital trading parks and drilling services. The Group has operations mainly in the People’s Republic of China (“**PRC**”).

The Company’s functional currency is Renminbi (“**RMB**”). The condensed consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”) as the directors are of the view that the HK\$ is the appropriate presentation currency for the users of the Group’s condensed consolidated financial statements given that the shares of the Company are listed on the Stock Exchange.

These condensed consolidated financial statements are presented in HK\$, unless otherwise stated.

This condensed consolidated financial information was approved for issue by the Board of Directors on 29 August 2024.

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2024 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**”) and in compliance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

This interim condensed consolidated financial information was unaudited but have been reviewed by the Audit Committee of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of amendments to HKFRSs effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Application of amendments to HKFRSs

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group’s condensed consolidated financial statements:

- | | | |
|------|----------------------------------|---|
| i. | Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback |
| ii. | Amendments to HKAS 1 | Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020) |
| iii. | Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| iv. | Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |

The application of those amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in the Group’s condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

Actual results may differ from these estimates.

In preparing this condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and fair value interest rate risk), credit risk and liquidity risk.

The condensed consolidated financial information do not include all financial risk management 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 2023.

There have been no changes in the risk management policies since year end.

5.2 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due.

Management of the Group aims to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its operation needs and business commitments.

In the opinion of the directors, the Group should have adequate resources to meet its obligations in the forthcoming year.

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

5 FINANCIAL RISK MANAGEMENT (Continued)

5.2 Liquidity risk (Continued)

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

	Contractual undiscounted cash outflow				Carrying amount HK\$'000
	Within 1 year or on demand	After 1 year but within 2 years	After 2 year but within 5 years	Total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Non-derivative financial liabilities					
At 30 June 2024					
Trade and other payables (excluding non-financial liabilities)	11,878	-	-	11,878	11,878
Amount due to a director	22,237	-	-	22,237	22,237
Amounts due to related parties	7,043	-	-	7,043	7,043
Amount due to a non-controlling shareholder of a subsidiary	16	-	-	16	16
Borrowings	13,387	-	-	13,387	13,387
Convertible loan notes (<i>Note</i>)	-	152,908	-	152,908	141,397
Bond payables	-	-	-	-	-
Lease liabilities	215	-	-	215	213
At 31 December 2023					
Trade and other payables (excluding non-financial liabilities)	7,688	-	-	7,688	7,688
Amount due to a director	1,000	-	-	1,000	1,000
Amounts due to related parties	5,061	-	-	5,061	5,061
Amount due to a non-controlling shareholder of a subsidiary	16	-	-	16	16
Borrowings	13,387	-	-	13,387	13,387
Bond payables	30,141	-	-	30,141	29,845
Convertible loan notes (<i>Note</i>)	-	152,908	-	152,908	136,221
Lease liabilities	890	347	634	1,871	1,755

Note: This is categorized based on the contractual terms of redemption at maturity on the assumption that there were no redemption or conversion of the convertible loan notes outstanding at the end of the reporting period before the maturity date.

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

5 FINANCIAL RISK MANAGEMENT (Continued)

5.2 Fair value estimation

Fair value measurements are categorised into Level 1, Level 2 or Level 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

(a) *Financial assets and liabilities*

The fair value of the following financial assets and liabilities at 30 June 2024 and 31 December 2023 which are recorded at amortised cost, approximate their carrying amounts as those dates due to their short-term maturity:

- Trade and other receivables and prepayments (excluding prepayments to suppliers, prepaid expenses and value-added tax receivables and deposits paid)
- Cash and cash equivalents
- Trade and other payables (excluding accrued expenses, other tax payables and accrued salaries)

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

5 FINANCIAL RISK MANAGEMENT (Continued)

5.2 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

- Amount due to a director
- Amounts due to related parties
- Amount due to a non-controlling shareholder of a subsidiary
- Borrowings
- Bonds payables
- Convertible loan notes
- Lease liabilities

The Group's derivative financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of the financial liabilities is determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2024	31 December 2023		
Financial liabilities	HK\$'000	HK\$'000		
Derivative financial liabilities	1,217	1,537	Level 3	Binomial tree pricing model with significant unobservable inputs detailed in Note 16.

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

6 REVENUE AND SEGMENT INFORMATION

The Company's board of directors is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the board of directors for the purposes of allocating resources and assessing performance.

The board of directors considers the business from business lines perspective, and assesses the performance of the Group in three business segments, (1) energy business which comprises mainly the trading of energy-related products; (2) operation of digital energy trading parks; and (3) drilling services.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit or loss represents the profit or loss from each segment without allocation of finance income or costs, loss on disposal of subsidiaries, share of loss of an associate, gain on change in fair value of derivative financial liabilities, gain on modification of convertible loan notes, sales of software, net foreign exchange loss/gain, and the unallocated operating income and expenses since these activities are driven by the central function and the related income or expenses are not divided between segments.

The Group's cash and cash equivalents and certain amount of right-of-use assets and trade and other receivables and prepayments are not considered to be segment assets for reporting to the board of directors as they are managed on a central basis.

The Group's bond payables, borrowings, amounts due to a director and related parties, convertible loan notes, derivative financial liabilities, long service payment obligation, current income tax liabilities, deferred tax liabilities and certain amount of lease liabilities and trade and other payables are not considered to be segment liabilities for reporting to the board of directors as they are managed on a central basis.

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

6 REVENUE AND SEGMENT INFORMATION (Continued)

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Revenue from external customers		
Trading of energy-related products	122,881	-
Operation of digital energy trading parks	5,837	13,957
Total	128,718	13,957
Timing of revenue recognition		
At a point in time	122,881	-
Over time	5,837	13,957
Total	128,718	13,957
Segment (loss)/profit		
Energy business	122	-
Drilling services	(221)	-
Operation of digital energy trading parks	(1,487)	8,974
Total	(1,586)	8,974

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

6 REVENUE AND SEGMENT INFORMATION (Continued)

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
Segment assets		
Energy business	2,796	274,897
Drilling services	-	707
Operation of digital energy trading parks	1,430	2,536
Unallocated	283,796	26,594
Total	288,022	304,734
Segment liabilities		
Energy business	24,606	823
Drilling services	8	8
Operation of digital energy trading parks	22,650	20,937
Unallocated	172,886	197,172
Total	220,150	218,940

Revenue from external customers by country, based on the destination of the customers is as follows:

	Unaudited Six months ended 30 June 2024 HK\$'000	2023 HK\$'000
PRC	128,718	13,957

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

6 REVENUE AND SEGMENT INFORMATION (Continued)

A reconciliation of total segment (loss)/profit to net loss is provided as follows:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Segment (loss)/profit	(1,586)	8,974
Loss on disposal of subsidiaries	-	(1,758)
Share of loss of an associate	-	(578)
Gain on change in fair value of derivative financial liabilities	320	1,211
Gain on modification of convertible loan notes	-	1,983
Sales of software	1,085	-
Net foreign exchange gain/(loss)	66	(9,233)
Unallocated operating income	-	89
Unallocated operating expenses	(6,848)	(5,726)
Operating loss	(6,963)	(5,038)
Finance income	282	72
Finance expenses	(5,482)	(7,992)
Loss before income tax	(12,163)	(12,958)
Income tax expense	(313)	(299)
Loss for the period	(12,476)	(13,257)

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

6 REVENUE AND SEGMENT INFORMATION (Continued)

Reportable segments' assets are reconciled to total assets as follows:

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
Total segment assets	4,226	278,140
Unallocated assets	283,796	26,594
Total assets	288,022	304,734

Reportable segments' liabilities are reconciled to total liabilities as follows:

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
Total segment liabilities	47,264	21,768
Other unallocated liabilities	18,102	16,964
Bond payables	-	29,845
Borrowings	13,387	13,387
Convertible loan notes	141,397	136,221
Current income tax liabilities	-	755
Total liabilities	220,150	218,940

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

7 OPERATING LOSS

An analysis of the amounts presented as operating items in the financial information is given below.

	Unaudited	
	Six months ended 30 June	
	2024	2023
	shares'000	shares'000
Employee benefit expense	9,213	6,224
Depreciation of right-of-use assets	664	1,131
Depreciation of property, plant and equipment (Note 11)	114	276
Net foreign exchange (gain)/loss	(65)	9,233
Government grant related to income (Note)	(3,179)	(7,438)

Note: During the period, the Group recognised government grant of HK\$3,179,000 (six months ended 30 June 2023: HK\$7,438,000) provided by PRC government which relates to the operation of digital energy trading parks.

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

8 INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June	
	2024	2023
	shares'000	shares'000
Current income tax		
— PRC Enterprise Income Tax	313	299

No provision for Hong Kong profits tax has been made, as the Group's subsidiaries in Hong Kong did not derive any assessable profit for the six months ended 30 June 2024 and 2023.

PRC Enterprise Income Tax has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the PRC in which the Group operates. The Company's subsidiaries incorporated in the PRC are subject to Enterprise Income Tax at the rate of 25% (six months ended 30 June 2023: 25%).

According to the provisions of Ministry of Finance and State Taxation Administration Announcement [2022] No.13 (財政部稅務總局公告2022年第13號), certain subsidiaries of the Group enjoy preferential income tax policies for the small and low profit enterprises for both periods.

Pursuant to the PRC Enterprise Income Tax Law and its detailed implementation rules, the profits of the PRC subsidiaries of the Group derived since 1 January 2008 are subject to withholding tax upon the distribution of such profits to foreign investors.

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

9 LOSS PER SHARE

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

	Unaudited	
	Six months ended 30 June 2024 HK\$'000	2023 HK\$'000
Loss		
Loss for the purpose of basic and diluted loss per share	(11,619)	(42,522)
	Unaudited	
	Six months ended 30 June 2024 shares'000	2023 shares'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	4,455,021	4,455,021
Effect of dilutive potential ordinary shares:		
Share options (Note a)	-	-
Convertible loan notes (Note b)	-	-
Weighted average number of ordinary shares for the purpose of diluted loss per share	4,455,021	4,455,021
	Unaudited	
	30 June 2024 HK Cents	30 June 2023 HK Cents
Basic loss per share	(0.26)	(0.95)
Diluted loss per share	NA	NA

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

9 LOSS PER SHARE (Continued)

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue for the six months ended 30 June 2024 and 2023.

Notes:

- (a) The computation of the diluted loss per share for the six months ended 30 June 2024 and 2023 does not assume the conversion of the Company's outstanding convertible loan notes since their assumed exercise would result in a decrease in loss per share for the six months ended 30 June 2024 and 2023.
- (b) The computation of diluted loss per share for the six months ended 30 June 2024 and 2023 does not assume the exercise of the Company's share options because the exercise prices of these share options were higher than the average market price for shares for the six months ended 30 June 2024 and 2023.

10 DIVIDENDS

The Board of Directors did not propose any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

11 PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment HK\$'000
Six months ended 30 June 2024 — Unaudited	
Net book value	
Opening amount as at 1 January 2024	1,171
Additions	53
Depreciation charge	(114)
Disposal	(685)
Currency translation differences	(97)
Closing amount as at 30 June 2024	328
 Year ended 31 December 2023 — Audited	
Net book value	
Opening amount as at 1 January 2023	2,552
Additions	280
Depreciation charge	(507)
Disposal	(8)
Disposal of subsidiaries	(1,108)
Currency translation differences	(38)
Closing amount as at 31 December 2023	1,171

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
Trade receivables from third parties	2,534	144,295
Less: allowance for impairment of trade receivables	-	-
Trade receivables — net of impairment recognised	2,534	144,295
Other receivables	896	790
Value-added tax receivables	11	51
Trade and other receivables	3,441	145,136
Prepayments to suppliers	-	130,564
Deposits paid	679	511
Prepaid expenses	454	394
Total	4,574	276,605

The Group normally allows a credit period of 0–30 days (2023: 0-3 days) from invoice date to its customers and may further extend the credit period to selected customers depending on their trade volume and settlement history. At 30 June 2024 and 31 December 2023, the aging analysis of trade receivables based on invoice date was as follows:

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
0-30 days	-	144,295
31-60 days	2,534	-
	2,534	144,295

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

13 SHARE CAPITAL

Ordinary shares, issued and fully paid:

	Number of shares	Share capital HK\$'000
Unaudited		
At 1 January 2024 and 30 June 2024 (HK\$0.00125 each)	4,455,020,888	5,569
Unaudited		
At 1 January 2023 and 30 June 2023 (HK\$0.00125 each)	4,455,020,888	5,569

14 SHARE-BASED PAYMENTS

On 16 September 2019, a new share option scheme (the “**Share Option Scheme**”) was approved and adopted by the shareholders of the Company. Pursuant to the ordinary resolution passed at the annual general meeting of the Company held on 29 May 2020, the scheme mandate limits of the Scheme were refreshed and renewed. The particulars of the Share Option Scheme are as follows:

Purpose

To enable the Company to grant options to selected eligible participants as incentives or rewards for their contributions to the Group.

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

14 SHARE-BASED PAYMENTS (Continued)

Eligible Participants

Eligible participants of the Share Option Scheme include any director or officer or full time or part time employee of or any person who has accepted an employment offer (whether full time or part time) and other persons and parties as defined in the scheme document.

Total number of ordinary shares available for issue

The total number of ordinary shares available for issue under the Share Option Scheme and any other schemes must not exceed 10% of the shares of the Company in issue at the date of shareholders' approval of the Share Option Scheme.

Maximum entitlement of each eligible participant

The maximum number of ordinary shares in respect of which options may be granted to each eligible participant in any 12-month period up to the date of grant is not permitted to exceed 1% of the ordinary shares in issue at the date of grant without prior approval from the Company's shareholders.

Period within which the ordinary shares must be taken up under a share option

Within 10 years from the date of grant of the share option or such shorter period as the board of directors of the Company determines at the time of grant.

No share-based compensation expenses for the six months ended 30 June 2024 and 2023 was recognised by the Group.

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

14 SHARE-BASED PAYMENTS (Continued)

Period within which the ordinary shares must be taken up under a share option

(Continued)

Details of the movement of the outstanding share options issued under the Share Option Scheme are as follows:

For the period from 1 January 2024 to 30 June 2024:

Category of participants	Date of grant	Exercise price	Vesting date	Exercisable period	Number of share options	
					As at 01/01/2024	Granted during the period As at 30/06/2024
Employees	19/06/2015	HK\$0.64125	19/06/2015	19/06/2015 - 18/06/2025	123,200,000	- 123,200,000
Employees	24/09/2019	HK\$0.15	24/09/2019	24/09/2019 - 23/09/2029	362,500,000	- 362,500,000
Director	19/06/2020	HK\$0.145	19/06/2020	19/06/2020 - 18/06/2026	37,000,000	- 37,000,000
Employees	19/06/2020	HK\$0.145	19/06/2020	19/06/2020 - 18/06/2026	159,000,000	- 159,000,000
Employees	20/05/2021	HK\$0.15	20/05/2021	20/05/2021 - 19/05/2027	125,000,000	- 125,000,000
Total					806,700,000	- 806,700,000

At 30 June 2024, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 806,700,000 (2023: 806,700,000), which totally represents 18.11% (2023: 18.11%) of the shares of the Company in issue at that date.

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

14 SHARE-BASED PAYMENTS (Continued)

Period within which the ordinary shares must be taken up under a share option (Continued)

For the period from 1 January 2023 to 30 June 2023:

Category of participants	Date of grant	Exercise price	Vesting date	Exercisable period	Number of share options	
					As at 01/01/2023	Granted during the period 30/06/2023
Employees	19/06/2015	HK\$0.64125	19/06/2015	19/06/2015 - 18/06/2025	123,200,000	- 123,200,000
Employees	24/09/2019	HK\$0.15	24/09/2019	24/09/2019 - 23/09/2029	362,500,000	- 362,500,000
Director	19/06/2020	HK\$0.145	19/06/2020	19/06/2020 - 18/06/2026	37,000,000	- 37,000,000
Employees	19/06/2020	HK\$0.145	19/06/2020	19/06/2020 - 18/06/2026	159,000,000	- 159,000,000
Employees	20/05/2021	HK\$0.15	20/05/2021	20/05/2021 - 19/05/2027	125,000,000	- 125,000,000
Total					806,700,000	- 806,700,000

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

15 TRADE AND OTHER PAYABLES

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
Trade payables	2,584	405
Other payables	5,996	3,984
Interest payable	3,298	3,299
Accrued salaries	1,715	1,629
Accrued expenses	4,720	4,836
Other tax payable	268	617
	18,581	14,770

The suppliers normally allow credit periods ranging from 60 to 365 days for the Group. As at 30 June 2024 and 31 December 2023, the aging analysis of trade payables based on invoice date was as follows:

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
Within 30 days	2	405
31-60 days	2,553	-
61-90 days	21	-
91-120 days	-	-
Over 120 days	8	-
	2,584	405

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

16 CONVERTIBLE LOAN NOTES

The Company issued HK\$110,952,907, 10% convertible loan notes (“**Convertible Notes**”) at a par value of HK\$1,000,000 each on 17 July 2019. Under the terms of the Convertible Notes, (i) the Convertible Notes are denominated in Hong Kong dollars and are secured by shareholders of the Company, who have jointly and severally, unconditionally and irrevocably guaranteed the due and punctual payment of all sums expressed to be payable by the Company; (ii) the Convertible Notes entitle the holders to convert them into ordinary shares of the Company at any time between the date of issue of the Convertible Notes and their settlement date on 17 July 2020 at a conversion price of HK\$0.184 per Convertible Notes; (iii) the Company have the options to redeem all or some of the Convertible Notes at par value plus accrued interest at any time between the date of issue of the Convertible Notes and the settlement date; (iv) if the Convertible Notes have not been converted or redeemed, they will be redeemed on 17 July 2020 at par; and (v) interest of 10% will be paid annually up until the settlement date.

On 4 May 2020, a convertible notes holder signed a deed of assignment to transfer all rights and obligation of the Convertible Notes to another party.

On 16 July 2020, the Company and the new note holder signed a supplemental deed to revise the terms of the Convertible Notes under which the Convertible Notes would be redeemed on 17 July 2021 at a conversion price of HK\$0.1340 per Convertible Notes. The fair value of the Convertible Notes at 16 July 2020 was estimated to be HK\$110,953,000, which was valued by an independent financial advisor. The fair value of the Convertible Notes comprises the liability component and the equity component amounted to HK\$97,767,000 and HK\$13,186,000 respectively.

On 4 August 2021, the Company and the note holder signed the second supplemental deed to revise the terms of the Convertible Notes. Pursuant to the second supplemental agreement, the Convertible Notes will be redeemed on 17 July 2022 and the interest on the notes is charged at 10% per annum until the settlement date. Except for the above mentioned, all other terms of the Convertible Notes remain unchanged.

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

16 CONVERTIBLE LOAN NOTES (Continued)

The Convertible Notes matured on 17 July 2022 and were not repaid by the Company or converted into shares of the Company upon their maturity, which was default and then was reclassified to amount due to a shareholder upon their maturity. Default interest was accrued at 14% per annum in accordance with the terms of the convertible loan notes since 17 July 2022 and was included in the amount due to a shareholder.

On 5 May 2023, the shareholders of the Company passed the ordinary resolutions approving the third supplemental deed with the note holder to revise the terms of the Convertible Notes. Pursuant to the third supplemental deed, the Convertible Notes will be redeemed on 17 July 2025 and the interest on the notes was charged at 8% per annum until the settlement date. Except for the above, all other terms of the Convertible Notes remain unchanged.

Upon the modification of the terms of the Convertible Notes on 5 May 2023, the Convertible Notes contain liability component and derivative conversion option component. The early redemption option held by the Company is regarded as embedded derivative closely related to the economic characteristics and risks of the host contract, therefore, the early redemption option is not separated from liability component. As at 30 June 2024, the fair value of the derivative component amounted to HK\$1,217,000 was valued by an independent financial advisor and the effective rate applied for the liability component carried at amortised cost is 7.5% per annum.

Details of principal valuation parameters applied in determining the derivative conversion option component was summarised as follows:

	At 31 December 2023	At 30 June 2024
(a) Principal amount:	123,291	123,291
(b) Coupon rate:	8% per annum	8% per annum
(c) Maturity date:	17 July 2025	17 July 2025
(d) Conversion price:	HK\$0.134	HK\$0.134
(e) Risk-free rate:	3.65%	4.22%
(f) Expected volatility:	100.5%	124.4%
(g) Expected dividend yield:	0%	0%

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

16 CONVERTIBLE LOAN NOTES (Continued)

As at 31 December 2023, the gain on modification of the Convertible Notes amounted to HK\$1,364,000 (2024: nil), which represents the excess of the carrying amount of the liability component of the Convertible Notes at the date of modification over the fair value of the Convertible Notes at that date, was treated as deemed contribution from a shareholder and recognized in capital reserve.

Movement of the Convertible Notes for the six months ended 30 June 2024 is set out below:

	Liability component HK\$'000	Derivative component HK\$'000
At 1 January 2024 (Audited)	136,221	1,537
Gain on change in fair value of derivative financial liabilities	-	(320)
Interest expense	5,176	-
At 30 June 2024 (Unaudited)	141,397	1,217

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

17 BORROWINGS

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
Bank borrowings, unsecured (Note)	13,387	13,387

As at 30 June 2024, the unsecured bank borrowings with principal and interest payables of HK\$13,387,000 (2023: HK\$13,387,000) and HK\$3,257,000 (2023: HK\$3,257,000) respectively have been overdue and have not repaid in accordance with scheduled payment dates. Up to the date of approval of the condensed consolidated financial statements, these bank borrowings with principal and interest payables of HK\$13,387,000 (2023: HK\$13,387,000) and HK\$3,257,000 (2023: HK\$3,257,000) are still outstanding.

The outstanding bank borrowings of the Company carry interest at the interest rate at 3.37% (2023: 3.37%) per annum.

18 DISPOSAL OF SUBSIDIARIES

- (a) On 1 January 2023, the Group entered into a sale and purchase agreement with a third party in relation to the disposal of the entire issued share capital of two subsidiaries, Shandong Run Ze Industrial and Commercial Company Limited, and Dongying An Yu Energy Technology Company Limited together with its subsidiaries.

The disposal was completed on 1 January 2023 and the consideration for the disposal amounted to approximately RMB562,000 (equivalent to HK\$606,000), which was settled subsequent to 30 June 2023.

- (b) On 1 April 2023, the Group entered into a sale and purchase agreement with a third party in relation to the disposal of the entire issued share capital of a subsidiary, Blessing Garden Limited together with its subsidiaries.

The disposal was completed on 1 April 2023 and the consideration for the disposal amounted to HK\$1,500,000, which was settled subsequent to 30 June 2023.

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

18 DISPOSAL OF SUBSIDIARIES (Continued)

- (c) On 15 June 2023, the Group entered into a sale and purchase agreement with a third party in relation to the disposal of the entire issued share capital of a subsidiary, Beijing Times Changyun Enterprise Management Company Limited together with its associate.

The disposal was completed on 15 June 2023 and the consideration for disposal amounted to RMB1 (equivalent to HK\$1), which was settled subsequent to 30 June 2023.

Net liabilities disposed of

	Six months ended 30 June 2023 HK\$'000
Non-current assets	
Property, plant and equipment	1,108
Interest in an associate	120,725
Current assets	
Trade and other receivables	7,525
Cash and cash equivalents	14,827
Total assets	144,185
Current liabilities	
Trade and other payables	1,192
Amount due to an associate	115,928
Amounts due to related parties	6,067
Borrowings	19,844
Current income tax liabilities	1,412
Total liabilities	144,443
Net liabilities disposed of	(258)

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

18 DISPOSAL OF SUBSIDIARIES (Continued)

Loss on disposal of subsidiaries

	Six months ended 30 June 2023 HK\$'000
Consideration for disposal	
— Received	-
— Receivable	2,106
Total consideration for disposal	2,106
Net liabilities disposed of	258
Non-controlling interests	(2,692)
Exchange reserve released upon disposal	(1,430)
Loss on disposal	(1,758)

Cash outflow on disposal of subsidiaries

	Six months ended 30 June 2024 HK\$'000
Consideration for disposal received	-
Less: Bank balances and cash disposed of	(14,827)
Net cash outflow on disposal	(14,827)

19 CONTINGENT LIABILITIES

As at 30 June 2024, the Group had no significant contingent liability.

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

20 SIGNIFICANT RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in this condensed consolidated financial information, the Group had the following significant related party transactions during the period ended 30 June 2024:

(a) Related parties

<u>Name of related parties</u>	<u>Relationship</u>
袁紅兵 (“Yuan Hongbing”)	Director of the Company
北京遠創天地投資顧問有限公司 (“Beijing Yuanchuang Investment Consultation Company”)* (“Beijing Yuanchuang”)	Related company of Mr. Yuan Hongbing
陳秋叁 (“Chen Qiusan”)	Relative of Mr. Chen Jinle
北京國科偉業電力科技有限公司 (“Beijing Guoke Weiye Power Technology Co., LTD”)* (“Beijing Guoke”)	A non-controlling shareholder of a subsidiary

(b) Related party transactions

The significant transactions carried out with related parties during the period were as follows:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK'000	HK'000
Interest expenses		
Qilu International Funds SPC	5,176	7,022
Chen Qiusan	292	879
	5,468	7,901

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

20 RELATED-PARTY TRANSACTIONS (Continued)

(c) Related party balances

The balances with related parties as at 30 June 2024 and 31 December 2023 were as follows:

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
Amounts due to related parties		
— Beijing Yuanchuang	6,971	4,988
— Chen Qiusan	72	73
	7,043	5,061
Bond payables		
— Chen Qiusan	-	29,845
Convertible loan notes		
— Qilu International Funds SPC	141,397	136,221
Amount due to a director		
— Yuan Hongbing	22,237	1,000
Amount due to a non-controlling shareholder of a subsidiary		
— Beijing Guoke	16	16

Notes to the Condensed Consolidated Financial Information (Continued)

For the six months ended 30 June 2024

20 RELATED-PARTY TRANSACTIONS (Continued)

(d) Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Salaries and other short-term benefits	1,130	1,516

21 EVENTS AFTER THE REPORTING PERIOD

There were no other significant events of the Group after 30 June 2024 and up to the date of approval of these condensed consolidated financial statements.

* For identification purpose only