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順風國際清潔能源有限公司

SHUNFENG INTERNATIONAL CLEAN ENERGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01165)

ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Board is pleased to announce the audited consolidated annual results of the Group for the Year together with the comparative figures for the year ended 31 December 2021 as follows:

RESULTS HIGHLIGHTS			
	For the year ended 31 December 2022 RMB'000	For the year ended 31 December 2021 RMB'000 (Restated)	% of Changes
Continuing operation			
Revenue			
– Solar power generation	313,143	650,186	(51.8%)
Discontinued operation			
Revenue			
– Manufacturing and sales of LED products	–	439,591	N/A
Gross profit from continuing operation	144,418	296,757	(51.3%)
Loss for the year from continuing operation	(178,627)	(818,016)	(78.2%)
Profit for the year from discontinued operation	–	126,856	N/A
Loss for the year	(178,627)	(691,160)	(74.2%)
EBITDA from continuing operation	411,541	87,863	368.4%
Adjusted EBITDA from continuing operation*	300,036	537,179	(44.1%)
Basic loss per share from continuing operation	RMB(3.48) cents	RMB(16.31) cents	(78.7%)

* Adjusted EBITDA excluded finance costs, income tax, depreciation and amortisation, net foreign exchange gain/(loss), bank interest income, share of profits of associates, impairment loss on solar power plants, assets classified as held for sale, property, plant and equipment and right-of-use assets, gain on disposal of property, plant and equipment, gain on settlement of a financial guarantee, loss on disposal of subsidiaries, and loss allowance recognised/(reversed) on trade and other receivables, contract assets, other non-current assets, amounts due from the related parties and a non-controlling shareholder and financial guarantee contracts, net.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the audited results of the Group for the Year. In 2022, the Company progressively implemented the clear and responsive strategies and the effective resources allocation plan devised by the Board and the management previously in order to strike a balance between continuing to hold long-term assets and reducing short-term cash flow deficit in the interests of the Shareholders and the Company. During the Year, the Group continued to complete the disposals of certain solar power plant assets, and has continued to conduct sufficient and friendly negotiations with major financial institutions, with whom the Group has established long-term cooperation, in respect of the renewal of debts, leading to substantial improvement of the Company's cash flow position and significant reduction of the total debts and finance costs of the Company.

In order to strengthen the management of the use of subsidy funds for renewable energy power generation and facilitate the high quality development of the renewable energy industry, on 24 March 2022, the General Office of the National Development and Reform Commission, the General Office of Ministry of Finance and the National Energy Administration jointly promulgated the Notice on Carrying out Self-inspection Work on Renewable Energy Power Generation Subsidies (《關於開展可再生能源發電補貼自查工作的通知》) (hereinafter referred to as the "324 Notice"), which determines the nationwide inspection of renewable energy power generation subsidies and requires renewable energy power generation enterprises to conduct self-inspections in six aspects, including project compliance, scale, electricity volume, tariff and subsidy funds. During the Year, the Group's solar power plants in the PRC also carried out the inspection of power generation subsidies in accordance with the 324 Notice. As of the date of this announcement, the Group's solar power stations in the PRC have not been materially and adversely affected by the inspection under the power generation subsidies in relation to the 324 Notice.

FUTURE PROSPECT

Looking forward, costs of the solar power generation will continue to drop, and as new energy resources are fully integrated into the era of on-grid parity, technologies such as energy storage and hydrogen energy that are related to solar power generation application will advance continuously. As a result, the global clean energy market will enter into a new stage of development. The Company will continue to target to become an integrated energy solutions supplier, and appropriately adjust its asset allocation structure and investment direction, with an aim to create ample business opportunities and greater value for the Company and our Shareholders with these businesses in the future.

On behalf of the Board, I would like to thank our management team and staff for their dedication and commitment, and our Shareholders and business partners for their staunch support and trust.

Wang Yu
Chairman

30 March 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December	
		2022	2021
		<i>RMB'000</i>	<i>RMB'000</i> (Restated)
Continuing operation			
Revenue	4	313,143	650,186
Cost of sales		<u>(168,725)</u>	<u>(353,429)</u>
Gross profit		144,418	296,757
Other income	6	106,071	36,942
Other gains and losses, net	7	64,812	(413,433)
Impairment losses under expected credit loss model, net of reversal		29,016	(33,957)
Administrative expenses		(88,314)	(107,935)
Share of profits of associates		1,010	2,345
Finance costs	8	<u>(430,829)</u>	<u>(592,903)</u>
Loss before tax	9	(173,816)	(812,184)
Income tax expense	10	<u>(4,811)</u>	<u>(5,832)</u>
Loss for the year from continuing operation		<u>(178,627)</u>	<u>(818,016)</u>
Discontinued operation			
Profit for the year from discontinued operation		<u>—</u>	<u>126,856</u>
Loss for the year		<u>(178,627)</u>	<u>(691,160)</u>
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Fair value gain on receivables at fair value through other comprehensive income (“FVTOCI”)		13	7
Release of reserves upon disposal of subsidiaries		<u>—</u>	<u>(4,738)</u>
Other comprehensive income/(loss) for the year, net of tax		<u>13</u>	<u>(4,731)</u>
Total comprehensive loss for the year		<u>(178,614)</u>	<u>(695,891)</u>

	<i>Notes</i>	Year ended 31 December	
		2022	2021
		<i>RMB'000</i>	<i>RMB'000</i> (Restated)
(Loss)/profit for the year attributable to owners of the Company			
– from continuing operation		(173,900)	(812,613)
– from discontinued operation		<u>–</u>	<u>67,401</u>
Loss for the year attributable to owners of the Company		<u>(173,900)</u>	<u>(745,212)</u>
(Loss)/profit for the year attributable to non-controlling interests			
– from continuing operation		(4,727)	(5,403)
– from discontinued operation		<u>–</u>	<u>59,455</u>
(Loss)/profit for the year attributable to non-controlling interests		<u>(4,727)</u>	<u>54,052</u>
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(173,887)	(749,943)
Non-controlling interests		<u>(4,727)</u>	<u>54,052</u>
		<u>(178,614)</u>	<u>(695,891)</u>
From continuing and discontinued operations	<i>12</i>	<i>RMB cents</i>	<i>RMB cents</i>
Loss per share			
– Basic		(3.48)	(14.96)
– Diluted		<u>(3.48)</u>	<u>(14.96)</u>
From continuing operation		<i>RMB cents</i>	<i>RMB cents</i>
Loss per share			
– Basic		(3.48)	(16.31)
– Diluted		<u>(3.48)</u>	<u>(16.31)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2022	2021
	Notes	RMB'000	RMB'000 (Restated)
Non-current assets			
Property, plant and equipment		25,667	28,472
Right-of-use assets		63,031	56,026
Solar power plants		1,403,592	1,929,378
Intangible assets		111,315	126,549
Interests in associates		35,649	36,109
Interest in a joint venture		—	—
Financial assets at fair value through profit or loss ("FVTPL")		1,000	1,000
Other non-current assets		25,814	46,094
Value-added tax recoverable		12,575	122,492
		<u>1,678,643</u>	<u>2,346,120</u>
Current assets			
Trade and other receivables	13	1,150,339	1,479,945
Receivables at FVTOCI		5,625	1,180
Value-added tax recoverable		11,554	34,343
Prepayments to suppliers		7,335	4,919
Amounts due from related parties		1,000,614	1,599,840
Tax recoverables		555	76
Restricted bank deposits		21,932	11,177
Bank balances and cash		532,618	55,705
		<u>2,730,572</u>	<u>3,187,185</u>
Assets classified as held for sale	14	<u>649,583</u>	<u>1,273,686</u>
		<u>3,380,155</u>	<u>4,460,871</u>
Current liabilities			
Trade and other payables	15	916,470	714,413
Amounts due to the related parties		1,291,629	1,619,538
Lease liabilities		14,922	14,487
Provisions		2,632	201,017
Tax liabilities		—	717
Bank and other borrowings		2,175,190	1,806,337
Convertible bonds		396,904	37,376
Bond payables		585,372	585,372
		<u>5,383,119</u>	<u>4,979,257</u>

		As at 31 December	
		2022	2021
	<i>Notes</i>	RMB'000	<i>RMB'000</i> (Restated)
Liabilities directly associated with assets held for sale	<i>14</i>	<u>21,879</u>	<u>751,809</u>
		<u>5,404,998</u>	<u>5,731,066</u>
Net current liabilities		<u>(2,024,843)</u>	<u>(1,270,195)</u>
Total assets less current liabilities		<u>(346,200)</u>	<u>1,075,925</u>
Non-current liabilities			
Bank and other borrowings		423,145	762,708
Loan from a related company		—	599,301
Lease liabilities		20,624	13,228
Convertible bonds		<u>208,725</u>	<u>525,957</u>
		<u>652,494</u>	<u>1,901,194</u>
NET LIABILITIES		<u>(998,694)</u>	<u>(825,269)</u>
EQUITY			
Share capital		41,641	40,756
Reserves		<u>(1,132,385)</u>	<u>(960,622)</u>
Total equity attributable to owners of the Company		<u>(1,090,744)</u>	<u>(919,866)</u>
Non-controlling interests		<u>92,050</u>	<u>94,597</u>
TOTAL EQUITY		<u>(998,694)</u>	<u>(825,269)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Shunfeng International Clean Energy Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Rooms 3803-05, 38/F, China Resources Building, No. 26 Harbour Road, Wan Chai, Hong Kong, respectively. The Company and its subsidiaries (together with the Company hereinafter referred to as the “**Group**”) are principally engaged in the business of providing clean energy and low-carbon energy-saving integrated solutions.

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

2. BASIS OF PREPARATION

2.1 Going Concern Basis

The Group incurred loss of RMB178,627,000 and RMB691,160,000 respectively for two consecutive years ended 31 December 2022 and 2021, and the Group had net current liabilities of RMB2,024,843,000 and net liabilities of RMB998,694,000 as at 31 December 2022. As at 31 December 2022, the Group had bank and other borrowings, convertible bonds and bond payables totaling RMB3,157,466,000 repayable within one year or on demand. Out of which, as at 31 December 2022, the Group had overdue bank and other borrowings and bonds payable of approximately RMB1,147,730,000 and RMB585,372,000 respectively.

During the year, there were three freezing orders had been issued in relation to the bond payables and bank borrowings:

2015 Corporate Bond

Two bondholders of 2015 Corporate Bond initiated an arbitration with the Group through Shanghai Arbitration Commission for the settlement of the outstanding principal and accrued bond interests in arrears. A freezing order (the “**First Freezing Order**”) was issued by the Changzhou Intermediate People’s Court of Jiangsu Province upon the application by the two bondholders and accordingly, the equity interests of certain subsidiaries including 95% equity interest of Xinjiang Tianli Enze Solar Technology Co., Ltd. (新疆天利恩澤太陽能科技有限公司) (“**Xinjiang Tianli**”), 100% equity interest of Jiangsu Shunyang New Energy Industrial Park Development Co., Ltd. (江蘇順陽新能源產業園發展有限公司) (“**Jiangsu Shunyang**”), 100% equity interest of Jiangxi Shunfeng Photovoltaic Investment Co., Ltd. (江西順風光電投資有限公司) (“**Jiangxi Shunfeng**”) and 100% equity interest of Turpan Shunfeng Clean Energy Investments Limited (吐魯番順風清潔能源投資有限公司) (“**Turpan Shunfeng**”) have been put under the First Freezing Order. As at 31 December 2022, the total principal amount of RMB329,909,000 (2021: RMB329,909,000) and accrued bond interests of RMB94,280,000 (2021: RMB68,548,000) were recognised in bond payables and trade and other payables, respectively. Up to the date of this announcement, the above proceedings have not been completed in the Shanghai Arbitration Commission.

2016 Corporate Bond

On 10 June 2022, a creditor (the “**Creditor**”) of a bondholder of the 2016 Corporate Bond filed a petition with the Changzhou Intermediate People’s Court of Jiangsu Province requesting Shunfeng Photovoltaic Investment (China) Company Limited (順風光電投資(中國)有限公司) (“**Shunfeng Photovoltaic Investments**”), an indirect wholly-owned subsidiary of the Company, to settle the principal amount of RMB142 million of the 2016 Corporate Bond and interests of the 2016 Corporate Bond to the Creditors.

Further, a freezing order (the “**Second Freezing Order**”) was issued by Changzhou Intermediate People’s Court upon the application by the Creditor and accordingly, the equity interests of certain subsidiaries, being Xinjiang Tianli, Jiangsu Shunyang, Jiangxi Shunfeng, Turpan Shunfeng, Xinjiang Pu Xin Cheng Da Energy Technology Limited (新疆普新誠達能源科技有限公司) (“**Xinjiang Pu Xin Cheng Da**”), Baoshan Changshan Shunfeng Shangde New Energy Co., Ltd (保山長山順風尚德新能源有限公司) (“**Baoshan Changshan**”), Hainan Xinsheng New Energy Technology Co. Ltd. (海南州鑫昇新能源科技有限公司) (“**Hainan Xinsheng**”) have been put under the Second Freezing Order. As at 31 December 2022, the total principal amount of the 2016 Corporate Bond of RMB255,463,000 and accrued bond interests of RMB81,583,000 were recognised in bond payables and trade and other payables respectively. In 2023, Baoshan Changshan and Xinjiang Pu Xin Cheng Da were released from the Second Freezing Order. Up to the date of this announcement, the above proceedings have not been completed in the Changzhou Intermediate People’s Court of Jiangsu Province.

Bank borrowings

A freezing order (the “**Third Freezing Order**”) was issued by the Nanchang Intermediate People’s Court of Jiangxi Province upon the application by a bank for the settlement of bank borrowings and accordingly, the equity interest of a subsidiary, Taojiang Safeway Photovoltaic Technology Ltd (桃江賽維光伏科技有限公司) (“**Taojiang Safeway**”) have been put under the Third Freezing Order. As at 31 December 2022, the total principal amount of RMB21,219,000 (2021: RMB22,185,000) were recognised in bank and other borrowings, of which principal amount of RMB4,829,000 were overdue. Up to the date of this announcement, the above proceedings have not been completed in the Nanchang Intermediate People’s Court of Jiangxi Province.

However, the Group maintained cash and cash equivalents of approximately RMB532,618,000 as at 31 December 2022 only.

These conditions indicate the existence of a material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of such circumstances, the directors of the Company continue to implement a series of plans and measures to improve the Group’s liquidity and financial position, which include but not limited to the following:

- (i) completing the disposals of the subsidiaries as planned as well as collecting the sale proceeds in accordance with the amount and timing expected by the Company;
- (ii) releasing the First Freezing Order and the Second Freezing Order of certain subsidiaries which are expected to be disposed by the Group; and

- (iii) continuing to negotiate with creditors, banks, financial institutions and bondholders for alternative refinancing and/or extension of the due dates.

The directors of the Company are of the opinion that future cash flow generated from operation together with the financial plans and measures will be sufficient to repay all these liabilities. The directors of the Company are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2.2 Restatement

On 13 August 2021, the Group has entered into four sale and purchase agreements (collectively referred to as the “**SPAs**”) with China Power Investment Xinjiang Energy Chemical Engineering Group Akesu Co., Ltd. (中電投新疆能源化工集團阿克蘇有限公司) (“**China Power Investment**”), an independent third party, pursuant to which the Group has conditionally agreed to sell, and China Power Investment has conditionally agreed to purchase 100% of the equity interests in (i) Baoshan Changshan, (ii) Shufu County Junxin Technology Photovoltaic Power Generation Co., Ltd (疏附縣浚鑫科技光伏發電有限公司) (“**Junxin**”), (iii) Kezhou Baishide New Energy Development Co., Ltd (克州百事德新能源開發有限公司) (“**Kezhou Baishide**”) and (iv) Yingjisha County Rongxin Tianhe New Energy Co., Ltd (英吉沙縣融信天和新能源有限責任公司) (“**Yingjisha**”) (collectively referred to as the “**Four Target Companies**”). The shareholders of the Company have approved, confirmed and ratified the disposal on 13 December 2021. The assets and liabilities of the Four Target Companies were classified as held for sale as at 31 December 2021 accordingly.

On 21 September 2022, the Group entered into termination agreements with China Power Investment to terminate the SPAs with immediate effect. As at the end of the reporting period, the directors of the Company considered that relevant assets and liabilities of the Four Target Companies were no longer fulfil the requirements of held for sale in accordance with IFRS 5. Based on the requirements of IFRS 5, the following reclassification adjustments were made to the comparative financial information of the consolidated statement of financial position as at 31 December 2021 and consolidated statement of profit or loss and other comprehensive income in respect of the assets held for sale previously reported as at 31 December 2021 upon the termination of the disposals during the year ended 31 December 2022. Line items that were not affected by the changes have not been included.

	As at 31 December 2021		
	As previously reported	Reclassification adjustments	As restated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment	27,966	506	28,472
Right-of-use assets	41,703	14,323	56,026
Solar power plants	1,202,669	726,709	1,929,378
Other non-current assets	23,033	23,061	46,094
Value-added tax recoverable	97,997	24,495	122,492
Current assets			
Trade and other receivables	1,036,131	443,814	1,479,945
Value-added tax recoverable	18,409	15,934	34,343
Prepayments to suppliers	3,998	921	4,919
Restricted bank deposits	6,882	4,295	11,177
Bank balances and cash	55,676	29	55,705
Assets classified as held for sale	2,473,320	(1,199,634)	1,273,686
Current liabilities			
Trade and other payables	542,859	171,554	714,413
Lease liabilities	11,534	2,953	14,487
Tax liabilities	–	717	717
Bank and other borrowings	1,596,234	210,103	1,806,337
Liabilities directly associated with assets held for sale	1,581,198	(829,389)	751,809
Non-current liabilities			
Bank and other borrowings	318,646	444,062	762,708
Lease liabilities	13,228	–	13,228
	For the year ended 31 December 2021		
	As previously reported	Reclassification adjustments	As restated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other gains and losses, net	(467,886)	54,453	(413,433)

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2022. IFRSs comprise International Financial Reporting Standards; International Accounting Standards (“IAS”) and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRSs but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

4. REVENUE

A. Disaggregation of revenue from contracts with customers

	2022 <i>RMB’000</i>	2021 <i>RMB’000</i>
Revenue from sales of electricity		
Sales of electricity	95,001	178,183
Tariff subsidies	218,142	472,003
	<u>313,143</u>	<u>650,186</u>
Geographical market		
Mainland China	<u>313,143</u>	<u>650,186</u>
Timing of revenue recognition		
A point in time	<u>313,143</u>	<u>650,186</u>

B. Performance obligations for contracts with customers

Sales of electricity

Revenue arising from the sales of electricity is also recognised at a point in time when electricity is generated and transmitted.

Revenue from sales of electricity is based on the on-grid benchmark tariff rates of local coal-fired power plants, which vary across provinces and can be adjusted by the government. It is currently settled by state grid companies for the electricity generated by the solar power plants on a monthly basis.

Tariff subsidies

Tariff subsidies represent subsidies received and receivable from the government authorities in respect of the Group's solar power generation business. Tariff subsidies are recognised at their fair value where there is a reasonable assurance that the additional tariff will be received and the Group will comply with all attached conditions, if any.

Revenue from tariff subsidies is based on the difference between the feed-in-tariff regime implemented by the government for the provision of subsidies to the solar power plants operators and the revenue from sales of electricity.

5. SEGMENT INFORMATION

Information has been reported to the executive directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance. The Group's reportable and operating segments in respect of continuing operation for both years is solar power generation in the PRC only.

Segment revenue and results

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
Segment revenue		
External sales	95,001	178,183
Tariff subsidies	218,142	472,003
	<u>313,143</u>	650,186
Segment profit/(loss)	<u>298,172</u>	<u>(164,292)</u>
Unallocated income		
– Bank interest income	4,152	572
Unallocated expenses		
– Central administration costs	(273,409)	(27,676)
– Finance costs	(430,829)	(592,903)
Gain on settlement of a financial guarantee	190,809	–
Loss allowance recognised on financial guarantee contract for a joint venture	(12,555)	(15,640)
Loss allowance reversed/(recognised) on amounts due from the related parties	48,941	(5,320)
Loss allowance recognised on other receivables	(107)	(9,270)
Share of profits of associates	1,010	2,345
Loss before tax	<u><u>(173,816)</u></u>	<u><u>(812,184)</u></u>

Amounts included in the measure of segment profit/(loss):

	2022	2021
	RMB'000	RMB'000
		(Restated)
Loss on disposal of subsidiaries (<i>Note 16</i>)	(21,131)	(271,822)
Impairment loss on assets classified as held for sale	–	(48,375)
Impairment loss on property, plant and equipment	(3,940)	(23,135)
Impairment loss on right-of-use assets	–	(2,631)
Reversal/(provision) of impairment loss on solar power plants, net	141,006	(129,555)
Loss allowance reversed on financial guarantee contract for an independent party	–	9,000
Loss allowance recognised on trade and other receivables, contract assets and other non-current assets, net	(7,263)	(12,727)
	<u>(7,263)</u>	<u>(12,727)</u>

The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies.

Segment results do not include certain bank interest income, central administration cost, finance costs, loss allowance recognised on financial guarantee contract for a joint venture, loss allowance (recognised)/reversed on amounts due from the related parties and certain other receivables and share of profits of associates.

6. OTHER INCOME

		2022	2021
	<i>Notes</i>	RMB'000	RMB'000
Bank interest income		4,152	572
Government grants	<i>(a)</i>	34	300
Gain on sales of raw and other materials		–	126
Imputed interest income of accrued revenue on tariff subsidies classified as trade receivables and contract assets	<i>(b)</i>	9,574	17,460
Contingent tariff subsidies received	<i>(c)</i>	92,043	16,614
Others		268	1,870
		<u>106,071</u>	<u>36,942</u>

Notes:

- (a) The government grants represent the amount received from the local government for supporting the development of the energy industry in Zhangjiakou City, Hebei Province, the PRC. There are no unfulfilled and other contingencies attaching to these grants.
- (b) The imputed interest income is released to other income, as a result of the significant financing component on accrued revenue of tariff subsidies in the PRC. As the Ministry of Finance does not set out a rigid timetable for the settlement of accrued revenue on tariff subsidies, which is subject to settlement by state grid company upon finalisation of the allocation of funds by relevant government authorities to the state grid company, resulting in the recognition of significant financing component at initial time, and the imputed interest income would be released to other income, accordingly.
- (c) On 17 September 2020, the Group acquired 100% of the equity interests in Xinjiang Pu Xin Cheng Da at a cash consideration of RMB54,906,000.

Xinjiang Pu Xin Cheng Da possessed the right to obtain tariff subsidies generated from a solar power plant as operated by the Group's subsidiary, Wujiaqu Xuyang Photovoltaic Power Generation Co., Ltd ("Wujiaqu Xuyang") since 2015. As at 17 September 2020, an amount of RMB159,395,000 was recorded as tariff receivable in the books of Xinjiang Pu Xin Cheng Da with respect to sales of electricity from 2015 to the date of acquisition generated by the solar power plant operated by Wujiaqu Xuyang. Management of the Company is of the opinion that such receivable is not recognised in the consolidated financial statements of the Group after acquiring Xinjiang Pu Xin Cheng Da since this may result in the recognition of income that may never be realised due to the tariff subsidies were subject to approval of the government. The Group recognised the sum of RMB92,043,000 (2021: RMB16,614,000) received from the state grid companies during the year ended 31 December 2022 after the acquisition as other income since the realisation of income is virtually certain.

7. OTHER GAINS AND LOSSES, NET

	<i>Notes</i>	2022 RMB'000	2021 <i>RMB'000</i> (Restated)
Gain on disposal of property, plant and equipment		–	628
Impairment loss on assets classified as held for sale (<i>Note 14</i>)		–	(48,375)
Impairment loss on property, plant and equipment		(3,940)	(23,135)
Impairment loss on right-of-use assets		–	(2,631)
Reversal/(provision) of impairment loss on solar power plants		141,006	(129,555)
Loss on disposal of subsidiaries (<i>Note 16</i>)		(21,131)	(271,822)
Penalty	<i>(a)</i>	(15,717)	(14,833)
Waiver of default interest payables	<i>(b)</i>	–	28,072
Net foreign exchange (loss)/gain		(229,417)	56,614
Others		(5,166)	(8,396)
Gain on settlement of a financial guarantee		190,809	–
Reversal of provision on legal claims		8,368	–
		64,812	(413,433)

Notes:

- (a) During the year ended 31 December 2022, it represented the penalty in relation to the late settlement of the land use tax in the PRC.
- (b) During the year ended 31 December 2021, Chongqing Future and Chongqing Trust agreed to waive the default interest payables amounting to RMB25,290,000 and one of the bondholder of the 2015 Corporate Bond agreed to waive the default interest payables amounting to RMB2,782,000.

8. FINANCE COSTS

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank and other borrowings	261,722	478,717
Interest on loan from a related company	47,916	1,121
Interest on lease liabilities	1,276	1,345
Effective interest on convertible bonds	74,511	65,278
Effective interest on bond payables	45,404	46,618
	<hr/>	<hr/>
Total finance costs	430,829	593,079
Less: amounts capitalised	–	(176)
	<hr/>	<hr/>
	430,829	592,903
	<hr/> <hr/>	<hr/> <hr/>

During the year ended 31 December 2021, borrowing costs on funds borrowed generally are capitalised at a rate of 4.90% per annum.

9. LOSS BEFORE TAX

This is stated at after charging/(crediting) the following:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
Directors' emoluments	7,198	6,949
Staff costs	22,446	24,038
Contributions to defined contribution retirement plans	4,555	3,299
	<u>34,199</u>	<u>34,286</u>
Impairment loss on assets classified as held for sale (<i>Note 14</i>)	–	48,375
Impairment loss on property, plant and equipment	3,940	23,135
Impairment loss on right-of-use assets	–	2,631
(Reversal)/provision of impairment loss on solar power plants	(141,006)	129,555
Auditor's remuneration	2,300	3,000
Depreciation of property, plant and equipment	1,165	904
Depreciation of completed solar power plants	131,437	278,432
Depreciation of right-of-use assets	6,692	9,578
Amortisation of intangible assets	15,234	18,230
Written off of solar power plant	5,278	–
	<u><u>5,278</u></u>	<u><u>–</u></u>

10. INCOME TAX EXPENSE

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
Current tax – PRC Enterprise Income Tax		
Charge for the year	5,309	6,229
Over-provision in prior years	(498)	(397)
	<u>4,811</u>	<u>5,832</u>

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

No provision for Hong Kong profits tax was provided as the Group did not have assessable profits arising in Hong Kong during the year ended 31 December 2022 (2021: nil).

Certain subsidiaries of the Group, being enterprises engaged in solar power generation projects, under the PRC tax law and its relevant regulations, are entitled to tax holidays of 3-year full exemption followed by 3-year 50% exemption commencing from their respective years in which their first operating incomes were derived.

Remaining subsidiaries of the Company established in the PRC are subject to PRC EIT rate of 25% for both years.

11. DIVIDENDS

The directors do not recommend or declare the payment of any dividend in respect of the years ended 31 December 2022 and 2021.

12. LOSS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following:

	2022	2021
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	4,991,690,558	4,982,375,490
	2022	2021
	RMB'000	RMB'000 (Restated)
Loss attributable to equity shareholders of the Company arises from:		
– Continuing operations	(173,900)	(812,613)
– Discontinued operations	—	67,401
	<u>(173,900)</u>	<u>(745,212)</u>

Diluted loss per share

As the Group's outstanding convertible bonds for both years would be anti-dilutive, no diluted earnings per share was presented in both years.

From discontinued operation

Basic earnings per share from the discontinued operation is RMB1.35 cents per share and diluted earnings per share from the discontinued operation is RMB1.35 cents per share for the year ended 31 December 2021, based on the profit for the year from discontinued operation attributable to the owners of the Company of approximately RMB67,401,000 for the year ended 31 December 2021 and the denominators used are the same as those detailed above for both basic and diluted loss per share.

13. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	2022 RMB'000	2021 <i>RMB'000</i> (Restated)
Trade receivables		63,135	44,990
Accrued revenue on tariff subsidies	<i>i, vii</i>	835,322	787,839
		898,457	832,829
Less: loss allowance recognised		(5,128)	(3,437)
Total trade receivables and accrued revenue on tariff subsidies		893,329	829,392
Prepaid expenses		260	957
Other receivables			
Amounts due from independent third parties	<i>ii</i>	10,230	7,599
Consideration receivables for disposal of subsidiaries in previous years	<i>iii</i>	29,915	537,449
Consideration receivables for disposal of Wushi and Two Target Companies	<i>iv</i>	107,173	–
Security deposits	<i>v, vii</i>	105,684	101,926
Others	<i>vi</i>	3,748	2,622
		257,010	650,553
		1,150,339	1,479,945

Notes:

- (i) The Group's accrued revenue on tariff subsidies are receivables from the state grid company. Generally, trade receivables are due within 30 days from the date of billing, except for collection of the accrued revenue on tariff subsidies, which is subject to settlement by state grid company upon finalisation of the allocation of funds by relevant government authorities to the state grid company. The collection of accrued revenue on tariff subsidies is expected in the normal operating cycle, which may be recovered after twelve months from the reporting date. Accrued revenue on tariff subsidies is discounted at an effective interest rate ranged from 2.25% to 2.34% (2021: ranged from 2.37% to 2.76%) per annum as at 31 December 2022.
- (ii) All balances due are unsecured, interest-free and repayable on demand. Management of the Company expects the balances would be settled within the next 12 months after the end of the reporting period.
- (iii) As at 31 December 2022, the amount included consideration receivable from the disposal of the subsidiaries amounting to RMB29,915,000, net of loss allowance of RMB58,881,000 (2021: RMB537,449,000, net of loss allowance of RMB61,447,000). The amount was non-trade in nature, unsecured, interest-free and repayable within one year.

- (iv) As at 31 December 2022, the amount included consideration receivable from the disposal of Wushi and Two Target Companies amounting to RMB107,173,000, net of loss allowance of RMB13,852,000 (note 16).
- (v) The amount represented deposits placed by the Group in the security deposits account opened in the independent financial institution, which was one of the corporate bondholders of one subsidiary of the Group. Pursuant to the maturity notice dated on 15 June 2018, an offsetting right has been granted by the Group to the independent financial institution, allowing it to offset the security deposits against the Group's outstanding corporate bond payable upon the maturity of the corporate bond. The Group and the bondholder have entered into a supplementary agreement to extend the due dates of the remaining outstanding amounts of corporate bond payable to 25 October 2021. As at 31 December 2022, loss allowance of RMB1,316,000 (2021: RMB5,074,000) was recognised.
- (vi) The amount mainly included custom deposits and advances to staff for the operational purpose for both years.
- (vii) Certain trade receivable and accrued revenue on tariff subsidies and security deposits had been pledged as securities for securing loans and general credit facilities granted to the Group as at 31 December 2022 and 2021.

The following is an ageing analysis of trade receivables and accrued revenue of tariff subsidies, net of loss allowance, presented based on the electricity transmitted dates, which approximated the respective revenue recognition date at the end of the reporting period.

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
0 to 30 days	15,288	22,251
31 to 60 days	18,680	19,986
61 to 90 days	14,778	23,862
91 to 180 days	51,868	78,889
Over 180 days	792,715	684,404
	893,329	829,392

14. ASSETS CLASSIFIED AS HELD FOR SALE

At 31 December 2022

RMB'000

Property, plant and equipment	982
Solar power plants	533,469
Value-added tax recoverable	1,206
Prepayments to suppliers	135
Trade and other receivables	113,772
Bank balances and cash	19
	<hr/>
Total assets classified as held for sale	649,583
	<hr/> <hr/>
Trade and other payables	(19,526)
Tax liabilities	(2,353)
	<hr/>
Total liabilities associated with assets classified as held for sale	(21,879)
	<hr/> <hr/>

On 29 June 2022, Sino Alliance Capital Limited (the “**Purchaser**”), an independent third party, entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Shunfeng Photovoltaic Holdings Limited (the “**Vendor**”), a wholly-owned subsidiary of the Company, Xinjiang Pu Xin Cheng Da, an indirect wholly-owned subsidiary of the Company, Jiangxi Shunfeng, an indirect wholly-owned subsidiary of the Company, Shunfeng Photovoltaic Investments, an indirect wholly-owned subsidiary of the Company, and the Company, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase entire equity interests in the subsidiaries (the “**Target Equity Interest**”) at an aggregate consideration of approximately RMB725,714,000 (the “**Consideration**”) which will be updated at the date of completion.

Target Equity Interest includes an entity incorporated in the British Virgin Islands whose equity interest was transferred to the Purchaser pursuant to the Sale and Purchase Agreement and held 100% equity interest in Xinjiang Pu Xin Cheng Da through a newly established holding company in Hong Kong.

The Consideration payable by the Purchaser was approximately RMB725,714,000 (equivalent to approximately HK\$812,402,000), including the following:

- The Consideration was settled by setting off RMB556,111,000 (equivalent to HK\$622,557,000) of outstanding principal of debts owed by the Vendor to the Purchaser on the date of completion of disposal.
- the Purchaser has agreed to waive the remaining outstanding principal and interest owed by the Vendor to the Purchaser at the date of completion. As at 31 December 2022, the remaining outstanding principal and interest owed by the Vendor to the Purchaser are RMB34,360,000, (equivalent to HK\$38,443,000) and RMB135,243,000 (equivalent to HK\$151,402,000), respectively, and the amounts will be updated at the date of completion.

The shareholders of the Company have approved, confirmed and ratified the disposal on 25 November 2022

Up to the date of this announcement, the disposal of the Target Equity Interest has not yet been completed.

As at 31 December 2021

	Wushi <i>RMB'000</i> (Restated) <i>(Note i)</i>	Two Target Companies <i>RMB'000</i> <i>(Note ii)</i>	Total <i>RMB'000</i> (Restated)
Property, plant and equipment	77	97	174
Right-of-use assets	6,187	10,596	16,783
Solar power plants	95,991	675,351	771,342
Other non-current assets	30,934	11,401	42,335
Value-added tax recoverable	11,392	59,740	71,132
Trade and other receivables	64,146	349,108	413,254
Prepayments to suppliers	4	107	111
Restricted bank deposits	–	6,905	6,905
Bank balances and cash	6	19	25
	<u>208,737</u>	<u>1,113,324</u>	<u>1,322,061</u>
Impairment loss recognised on assets classified as held for sale	<u>(10,612)</u>	<u>(37,763)</u>	<u>(48,375)</u>
Total assets classified as held for sale	<u><u>198,125</u></u>	<u><u>1,075,561</u></u>	<u><u>1,273,686</u></u>
Trade and other payables	18,204	106,551	124,755
Bank and other borrowings	<u>57,994</u>	<u>569,060</u>	<u>627,054</u>
Total liabilities associated with assets classified as held for sale	<u><u>76,198</u></u>	<u><u>675,611</u></u>	<u><u>751,809</u></u>

(i) Disposal of Wushi

On 13 August 2021, the Group entered into an agreements with China Power Investment to dispose Wushi. The transactions were approved by the shareholders of the Company on 13 December 2021 but was not completed as at 31 December 2021. As at 31 December 2021, management assessed that Wushi was available for immediate sale in its present condition and the sale is expected to be highly probable and would be completed within twelve months after the end of the reporting period. As at 31 December 2021, aggregate assets and liabilities relating to Wushi had been classified as held for sale and presented as current assets and current liabilities, respectively.

The disposal of Wushi was completed during 2022.

(ii) Disposals of the Two Target Companies

On 24 September 2021, the Group has entered into two sale and purchase agreements with Zhonghe Huineng, an independent third party, pursuant to which the Group has conditionally agreed to sell, and Zhonghe Huineng has conditionally agreed to purchase 100% of the equity interests in Two Target Companies, which owned and operated 2 solar power plants in the PRC. The shareholders of the Company have approved, confirmed and ratified the disposal on 13 January 2022. As at 31 December 2021, management assessed that each of the Two Target Companies were available for immediate sale in its present condition and the sale is expected to be highly probable and would be completed within twelve months after the end of the reporting period. As at 31 December 2021, aggregate assets and liabilities relating to the Two Target Companies had been classified as held for sale and presented as current assets and current liabilities, respectively.

The disposal of Two Target Companies were completed during 2022.

15. TRADE AND OTHER PAYABLES

	Notes	2022 RMB'000	2021 RMB'000 (Restated)
Trade payables		6,208	7,985
Payables for EPC of solar power plants	<i>i</i>	138,167	143,626
Other tax payables		15,716	10,661
Amounts due to independent third parties	<i>ii</i>	6,767	2,716
Interest payables		713,862	518,448
Accrued expenses		10,783	17,804
Accrued payroll and welfare		3,287	2,906
Consideration payable for previous acquisition of subsidiaries	<i>iii</i>	5,700	5,700
Amounts due to disposed subsidiaries		—	3,214
Payables for financial guarantee		12,918	—
Others		3,062	1,353
		<u>916,470</u>	<u>714,413</u>

Notes:

- (i) Amount represented payables incurred for engineering, procurement and construction (“EPC”) of solar power plants. The amounts would be repayable within twelve months after the end of the reporting period and such amounts were therefore classified as current liabilities at the end of the reporting period.
- (ii) As at 31 December 2022 and 31 December 2021, the amounts were non-trade in nature, unsecured, interest-free and repayable on demand.
- (iii) The amounts mainly resulted from the Group’s acquisition of subsidiaries with solar power plants in the prior years, which were unsecured, interest-free and repayable on demand.

The credit period on purchases of goods is 0 to 180 days (31 December 2021: 0 to 180 days) and certain suppliers allow longer credit period on a case-by-case basis. The following is an ageing analysis of the trade payables presented based on the invoice date at the end of the reporting period:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
0 to 30 days	1,758	1,387
31 to 60 days	1,743	790
61 to 90 days	2,160	790
91 to 180 days	547	1,983
Over 180 days	<u>—</u>	<u>3,035</u>
	<u>6,208</u>	<u>7,985</u>

16. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Wushi

On 13 August 2021, the Group has entered into an sale and purchase agreements with China Power Investment, pursuant to which the Group has conditionally agreed to sell, and China Power Investment has conditionally agreed to purchase 100% of the equity interests in Wushi, which owned and operated a solar power plant in the PRC. The shareholders of the Company have approved, confirmed and ratified the disposal on 13 December 2021 and the registration for share transfer had been completed on 25 January 2022.

The proceeds arising from the disposals of Wushi was RMB121,972,000, comprising the following:

- the cash consideration of RMB1,330,000, to be payable by China Power Investment to the Group by three tranches; and
- relevant payables representing the relevant amounts payable by Wushi to the Group by two tranches. The relevant payables were amounted to RMB120,642,000 as at disposal dates.

Net assets of Wushi at the date of disposal were as follows:

	<i>RMB'000</i>
Property, plant and equipment	77
Right-of-use assets	6,187
Solar power plants	85,511
Other non-current assets	30,266
Value-added tax recoverable	11,254
Prepayments to suppliers	9
Trade and other receivables	65,231
Bank balances and cash	14
Trade and other payables	(18,234)
Bank and other borrowings	(58,086)
	<hr/>
Net assets disposed of	122,229
Loss on disposal of subsidiaries (*)	(257)
	<hr/>
Consideration receivables from disposal	121,972
	<hr/> <hr/>
Net cash inflow arising on disposal:	
Cash consideration received	72,320
Cash and cash equivalents disposed of	(14)
	<hr/>
	72,306
	<hr/> <hr/>

* Loss on disposal of subsidiaries is recognised in other gains and losses, net.

During the year ended 31 December 2022, consideration amounted to RMB72,320,000 was settled. Consideration receivables of RMB49,652,000 was included in “Trade and other receivables” as at 31 December 2022.

(b) Disposal of the Two Target Companies

On 24 September 2021, the Group has entered into two sale and purchase agreements with Zhonghe Huineng, an independent third party, pursuant to which the Group has conditionally agreed to sell, and Zhonghe Huineng has conditionally agreed to purchase 100% of the equity interests in (i) Hebei Sanlong and (ii) Shangyi County Shunneng (collectively referred to as the “**Two Target Companies**”), which owned and operated 2 solar power plants in the PRC.

The shareholders of the Company have approved, confirmed and ratified the disposal on 13 January 2022 and the registration for share transfer of the Two Target Companies has been completed during the year ended 31 December 2022.

The proceeds arising from the disposals of the Two Target Companies were RMB393,495,000, comprising the following:

- the cash consideration of RMB153,745,000, to be payable by Zhonghe Huineng to the Group by three tranches; and
- relevant payables representing the relevant amounts payable by the Two Target Companies to the Group by two tranches. The relevant payables were amounted to RMB239,750,000 as at disposal dates.

Net assets of the Two Target Companies at the date of disposal were as follows:

	<i>RMB'000</i>
Property, plant and equipment	1,702
Right-of-use assets	10,596
Solar power plants	637,525
Other non-current assets	11,401
Value-added tax recoverable	51,594
Prepayments to suppliers	100
Trade and other receivables	359,911
Bank balances and cash	12
Restricted bank deposits	6,905
Trade and other payables	(97,267)
Bank and other borrowings	(568,110)
	414,369
Net assets disposed of	414,369
Loss on disposal of subsidiaries (*)	(20,874)
	393,495
Consideration receivables from disposal	393,495
Net cash inflow arising on disposal:	
Cash consideration received	322,122
Cash and cash equivalents disposed of	(12)
	322,110

* Loss on disposal of subsidiaries is recognised in other gains and losses, net.

During the year ended 31 December 2022, consideration amounted to RMB322,122,000 was settled. Consideration receivables of RMB71,373,000 was included in “Trade and other receivables” as at 31 December 2022.

17. EVENTS AFTER THE REPORTING PERIOD

On 28 February 2023, the Group had completed the disposal of 100% equity interest in Baoshan Changshan.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group engages one segment of solar power generation in the PRC during the Year, which are mainly located in Xinjiang, Shandong and Jiangsu in the PRC. It is presented as continuing operation in the below sections.

BUSINESS REVIEW

The Group continues to proactively explore various kinds of clean energy resources with an aim to lay a solid foundation for its development into a global leading supplier which provides low-carbon and energy-saving integrated solutions.

Solar power generation in the PRC

During the Year, the solar power plants in the PRC owned by the Group generated an aggregate of approximately 399,828 MWh.

	For the year ended		
	31 December		
	2022	2021	% of Changes
	<i>MWh</i>	<i>MWh</i>	
Power generation volume in the PRC	<u>399,828</u>	<u>867,275</u>	(53.9%)

Upon completion of registration for the share transfers of 3 target companies in respect of the 2021 First Disposals (defined below) in December 2021 and January 2022, 9 target companies in respect of the forced sale as disclosed in the announcement of the Company dated 1 December 2021 (the “**Forced Sale**”) in December 2021, 1 target company in respect of the disposal as disclosed in the announcement of the Company dated 28 December 2021 (the “**2021 Third Disposal**”) in December 2021 and 2 target companies in respect of the 2021 Second Disposals (defined below) in January and February 2022, respectively, the Group’s solar power plants in the PRC realised a total installed capacity of on-grid generation of approximately 375MW in the PRC as of 31 December 2022.

Geographical information

During the Year, the top five customers represented approximately 61.7% of the continuing operation’s total revenue, while it represented approximately 64.2% for the year ended 31 December 2021. The largest customer accounted for approximately 16.0% of the continuing operation’s total revenue, while it represented approximately 17.2% for the year ended 31 December 2021. The largest customer is State Grid Wulumuqi Electric Power Supply Company, which is one of the state grid companies in the PRC to which the Company sells the electricity.

The sales to PRC-based customers represented 100% of the continuing operation’s total revenue for the Year.

FINANCIAL REVIEW

Revenue

Solar power generation in the PRC

Revenue decreased by RMB337.1 million, or 51.8%, from RMB650.2 million for the year ended 31 December 2021 to RMB313.1 million for the Year, primarily due to the completion of registration for the share transfers of target companies in connection with solar power plants disposals since July 2021, while there was no such revenue from power generation recognized for the Year. In particular, the completion of registration for the share transfers of 3 target companies in respect of the 2021 First Disposals in December 2021 and January 2022, 9 target companies in respect of the Forced Sale in December 2021, 1 target company in respect of the 2021 Third Disposal in December 2021 and 2 target companies in respect of the 2021 Second Disposal in January and February 2022, respectively, contributed to the decrease in revenue.

Further, the solar power plants of the Group which are located in certain provinces or regions in the PRC were affected by the influence of curtailment on energy generation during the Year, resulting in a decrease in power generation. As a result, the revenue from power generation in the PRC of the Group decreased by approximately RMB35 million and the power generation volume also recorded an estimated loss of approximately 40,000 MWh for the Year.

Cost of sales

Cost of sales decreased by RMB184.7 million, or 52.3%, from RMB353.4 million for the year ended 31 December 2021 to RMB168.7 million for the Year, primarily because the power generation volume in the PRC decreased by 467,447MWh, or 53.9% from 867,275 MWh for the year ended 31 December 2021 to 399,828MWh for the Year.

Gross profit

Gross profit decreased by RMB152.4 million, or 51.3%, from RMB296.8 million for the year ended 31 December 2021 to RMB144.4 million for the Year.

Other income

Other income increased by RMB69.2 million, or 187.5%, from RMB36.9 million for the year ended 31 December 2021 to RMB106.1 million for the Year, primarily due to the increase of contingent tariff subsidies received by RMB75.4 million, or 454.2%, from RMB16.6 million for the year ended 31 December 2021 to RMB92.0 million for the Year.

Other gains and losses, net

Other gains and losses recorded a net gain of RMB64.8 million for the Year, while a net loss of RMB413.4 million was recorded for the year ended 31 December 2021, which was primarily due to (i) a decrease in loss on disposal of subsidiaries by RMB250.7 million, or 92.2% from RMB271.8 million for the year ended 31 December 2021 to RMB21.1 million for the Year; (ii) a reversal of impairment loss on solar power plants which recorded RMB141.0 million for the Year, while a provision of impairment loss on solar power plants recorded RMB129.6 million for the year ended 31 December 2021 and (iii) a gain on settlement of a financial guarantee of RMB190.8 million recorded for the Year, while there was no such gain recorded for the year ended 31 December 2021. Nevertheless, a net foreign exchange loss of RMB229.4 million was recorded for the Year, while a net foreign gain of RMB56.6 million was recorded for the year ended 31 December 2021, which are partially offset by the gains stated above.

Impairment losses under expected credit loss model, net of reversal

A net of reversal of impairment loss under expected credit loss model recorded RMB29.0 million for the Year, while an impairment loss under expected credit loss model recorded RMB34.0 million for the year ended 31 December 2021, which was primarily due to (i) a loss allowance reversed on amounts due from the related parties and a non-controlling shareholder of RMB48.9 million was recorded for the Year, while a loss allowance recognised on amounts due from the related parties and a non-controlling shareholder of RMB5.3 million was recorded for the year ended 31 December 2021 and (ii) a loss allowance recognised on other receivables decreased by RMB14.1 million, or 70.9% from RMB19.9 million for the year ended 31 December 2021 to RMB5.8 million for the Year.

Administrative expenses

Administrative expenses decreased by RMB19.6 million, or 18.2%, from RMB107.9 million for the year ended 31 December 2021 to RMB88.3 million for the Year.

Share of profits of associates

Share of profits of associates decreased by RMB1.3 million or 56.5%, from RMB2.3 million for the year ended 31 December 2021 to RMB1.0 million for the Year.

Finance costs

Finance costs decreased by RMB162.1 million, or 27.3%, from RMB592.9 million for the year ended 31 December 2021 to RMB430.8 million for the Year, primarily due to the decrease in interest on bank and other borrowings by RMB217.0 million, or 45.3%, from RMB478.7 million for the year ended 31 December 2021 to RMB261.7 million for the Year.

Loss before tax

Due to the above reasons, loss before tax decreased by RMB638.4 million, from a loss of RMB812.2 million for the year ended 31 December 2021 to a loss of RMB173.8 million for the Year.

Income tax expense

Income tax expense decreased by RMB1.0 million, from RMB5.8 million for the year ended 31 December 2021 to RMB4.8 million for the Year.

Loss for the Year from continuing operation

As a result of the reasons stated above, the loss for the year from continuing operation decreased by RMB639.4 million, or 78.2%, from the loss of RMB818.0 million for the year ended 31 December 2021 to the loss of RMB178.6 million for the Year.

Trade receivables turnover days

The trade receivables turnover days as at 31 December 2022 was 990.2 days (31 December 2021: 571.1 days). The increase in turnover days was primarily due to the decrease of the tariff subsidies to be received by the Group.

Trade payables turnover days

The trade payables turnover days as at 31 December 2022 was 102.7 days (31 December 2021: 138.7 days). Given the established business relationship and the change in the overall market environment, the Group paid to the suppliers in due course based on the credit terms during the Year.

Indebtedness, liquidity, gearing ratio and capital structure

The Group's principal sources of working capital included cash flow from operating activities, bank and other borrowings. As at 31 December 2022, the Group's current ratio (current assets divided by current liabilities) was 0.63 (31 December 2021: 0.78).

As at 31 December 2022, the Group was in a negative net cash position of RMB3,911.5 million (31 December 2021: a negative net cash position of RMB4,261.3 million), which included cash and cash equivalents of RMB532.6 million (31 December 2021: RMB55.7 million), bank and other borrowings of RMB2,598.3 million (31 December 2021: RMB2,569.0 million), convertible bonds of RMB605.6 million (31 December 2021: RMB563.3 million), bond payables of RMB585.4 million (31 December 2021: RMB585.4 million) and loan from a related company of RMB654.8 million (31 December 2021: RMB599.3 million).

The Group's bank and other borrowings, cash and bank balances and restricted bank deposits were mainly denominated in RMB and HKD. The Group's net debt to equity ratio (net debt divided by shareholders' equity) increased from -443.7% as at 31 December 2021 to -326.1% as at 31 December 2022.

During the Year, the Group did not enter into any financial instrument for hedging purposes nor did the Group have any currency borrowings and other hedging instruments to hedge against foreign exchange risks (31 December 2021: Nil).

Contingent liabilities and guarantees

As at 31 December 2022, the Group did not provide guarantees to independent third parties and related parties (31 December 2021: RMB190.0 million), of which no such provision (31 December 2021: RMB190.0 million) has been provided and recognised as provision in the consolidated statement of financial position. As at 31 December 2022, the Group had no significant contingent liabilities.

Charges on the Group's assets

At the end of the reporting period, save for restricted bank deposits and the right-of-use assets, the Group had pledged its 100% equity interest in Shunfeng Photovoltaic Holdings Limited (31 December 2021: 100% equity interest in Shunfeng Photovoltaic Holdings Limited). Meanwhile, the 90% to 100% equity interests and related assets of 18 (31 December 2021: 12) subsidiaries of the Group which operated solar power generation were also pledged in order to obtain bank and other borrowings.

As at 31 December 2022, the Group had pledged certain trade and other receivables with a carrying amount of RMB986.1 million (31 December 2021: RMB855.7 million) and solar power plants with a carrying amount of RMB1,375.6 million (31 December 2021: RMB1,452.7 million) to various banks and other financial institutions for securing loans and general credit facilities granted to the Group.

As at 31 December 2022, the Group had pledged right-of-use assets and other deposits included in other non-current assets with a carrying amount of RMB26.5 million (31 December 2021: RMB46.8 million).

As at 31 December 2022, the Group pledged restricted bank deposits in an aggregate amount of approximately RMB21.9 million (31 December 2021: RMB11.2 million) to banks to secure banking credit facilities granted to the Group.

Save as disclosed above, as at 31 December 2022 and 31 December 2021, none of the other assets of the Group was pledged in favour of any financial institution.

Exposure to the fluctuation in exchange rates

Certain bank balances and cash, restricted bank deposits and pledged bank deposits, trade and other receivables, trade and other payables and bank and other borrowings are denominated in currencies other than RMB, which exposes the Group to foreign exchange risks. The Group currently does not have a foreign currency hedging policy. However, the Directors closely monitor the foreign exchange risk profile and control exchange exposure through arrangements of foreign currency forward contracts, and will consider hedging significant foreign currency exposure should the need arise.

Significant investments held and material acquisitions or disposals

As disclosed in the announcement of the Company dated 24 August 2021, Jiangxi Shunfeng, Shanghai Shunneng and Shenzhen Shangde Solar Power Electricity Co., Ltd.* (深圳尚德太陽能電力有限公司) (“**Shenzhen Shangde**”) entered into seven sale and purchase agreements (the “**2021 First Disposal Sale and Purchase Agreements**”) with China Power Investment Xinjiang Energy Chemical Engineering Group Akesu Co., Ltd.* (中電投新疆能源化工集團阿克蘇有限公司), pursuant to which Jiangxi Shunfeng, Shanghai Shunneng and Shenzhen Shangde agreed to sell 100% of the equity interests in Baoshan Changshan Shunfeng Shangde New Energy Co., Ltd* (保山長山順風尚德新能源有限公司), Shufu County Junxin Technology Photovoltaic Power Generation Co., Ltd* (疏附縣浚鑫科技光伏發電有限公司), Kezhou Baishide New Energy Development Co., Ltd* (克州百事德新能源開發有限公司), Maigaiti Jintan Zhengxin New Energy Technology Co., Ltd* (麥蓋提金壇正信新能源科技有限公司), Wushi Longbai Electricity Investment Co., Ltd* (烏什龍柏電力投資有限公司), Yingjisha County Rongxin Tianhe New Energy Co., Ltd* (英吉沙縣融信天和新能源有限責任公司), and Shufu County Zhongjiancai New Energy Photovoltaic Power Generation Co., Ltd* (疏附縣中建材新能源光伏發電有限公司) (together, the “**2021 First Disposal Subject Companies**”) at an aggregate consideration of RMB537.6 million (the “**2021 First Disposals**”).

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the 2021 First Disposal Sale and Purchase Agreements and the 2021 First Disposals in aggregate exceed 75%, the 2021 First Disposals constituted a very substantial disposal of the Company which is subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

The 2021 First Disposals were approved by the Shareholders at the extraordinary general meeting on 13 December 2021. As of the date of this announcement, the registration of share transfers in respect of three of the 2021 First Disposal Subject Companies have been completed, which are Maigaiti Jintan Zhengxin New Energy Technology Co., Ltd* (麥蓋提金壇正信新能源科技有限公司), Shufu County Zhongjiancai New Energy Photovoltaic Power Generation Co., Ltd* (疏附縣中建材新能源光伏發電有限公司) and Wushi Longbai Electricity Investment Co., Ltd* (烏什龍柏電力投資有限公司).

As disclosed in the Company’s announcement dated 21 September 2022, certain conditions in the remaining four out of the seven 2021 First Disposal Subject Companies, namely Baoshan Changshan Shunfeng Shangde New Energy Co., Ltd, Shufu County Junxin Technology Photovoltaic Power Generation Co., Ltd, Kezhou Baishide New Energy Development Co., Ltd and Yingjisha County Rongxin Tianhe New Energy Co., Ltd, have not been satisfied by 21 September 2022, as the purchaser did not receive the approval from the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) (“SASAC”), which governs the affairs of the purchaser, to proceed with the purchase of the four 2021 First Disposal Subject Companies after the SASAC’s assessment of the financial indicators of the purchaser. As a result, the vendors and the purchaser of the four 2021 First Disposal Subject Companies entered into termination agreements on 21 September 2022 to terminate the sale and purchase agreements of the four 2021 First Disposal Subject Companies.

As disclosed in the announcement of the Company dated 6 October 2021, Jiangsu Sanfeng Guanghua Investment Co., Ltd* (江蘇三豐光華投資有限公司), Shijiazhuang Huaiyuan New Energy Development Company Limited* (石家莊懷遠新能源開發有限公司) and Hebei Zhenlong Electricity Equipment Technology Co., Ltd* (河北臻龍電力設備科技有限公司) entered into two sale and purchase agreements (the “**2021 Second Disposal Sale and Purchase Agreements**”) with Zhonghe Huineng Co., Ltd.* (中核匯能有限公司 (“**Zhonghe Huineng**”)) pursuant to which Jiangsu Sanfeng Guanghua Investment Co., Ltd, Shijiazhuang Huaiyuan New Energy Development Company Limited and Hebei Zhenlong Electricity Equipment Technology Co., Ltd agreed to sell 100% of the equity interest in Hebei Sanlong Electricity Technology Co. Ltd* (河北三龍電力科技有限公司) and Shangyi County Shunneng Photovoltaic Electricity Co., Ltd* (尚義縣順能光伏電力有限公司) (together, the “**2021 Second Disposal Subject Companies**”) at an aggregate consideration of RMB414.7 million (the “**2021 Second Disposals**”).

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the 2021 Second Disposal Sale and Purchase Agreements and the 2021 Second Disposals in aggregate exceed 75%, the 2021 Second Disposals constituted a very substantial disposal of the Company which is subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

The 2021 Second Disposals were approved by the Shareholders at the extraordinary general meeting on 13 January 2022 and the registration for share transfers of the two 2021 Second Disposal Subject Companies were completed in January 2022 and February 2022, respectively.

As disclosed in the announcement of the Company dated 3 January 2022, Jiangxi Shunfeng, Shanghai Shunneng and Shunfeng Photovoltaic Investments (as vendors) have entered into four sale and purchase agreements (the “**2022 First Proposed Disposal Sale and Purchase Agreements**”) with Xinjiang Silu Qianyuan Energy Co., Ltd.* (新疆絲路乾元能源有限責任公司, as the purchaser), pursuant to which the vendors agreed to sell 100% equity interest in Xinjiang Pu Xin Cheng Da Energy Technology Limited * (新疆普新誠達能源科技有限公司) (the “**Xinjiang Pu Xin Cheng Da**”), Hainan Xinsheng New Energy Technology Co. Ltd.* (海南州鑫昇新能源科技有限公司), Tongwei Solar Power Qiemu Co., Ltd* (通威太陽能且末有限公司) and Xinjiang Tianli Enze Solar Technology Co., Ltd* (新疆天利恩澤太陽能科技有限公司), at an aggregate consideration of RMB889.6 million (the “**2022 First Proposed Disposal**”).

As disclosed in the announcement dated 8 June 2022, as there remained conditions which had not been satisfied, the vendors and the purchaser entered into termination agreements on 8 June 2022 to terminate the 2022 First Proposed Disposal Sale and Purchase Agreements in relation to the 2022 First Proposed Disposal.

As disclosed in the announcement of the Company dated 4 July 2022, Shunfeng Photovoltaic Holdings Limited, Xinjiang Pu Xin Cheng Da Energy Technology Limited, Jiangxi Shunfeng, Shunfeng Photovoltaic Investments and the Company, entered into the sale and purchase agreements (the “**2022 Second Disposal Sale and Purchase Agreement**”) with Sino Alliance Capital Ltd. (as the purchaser), pursuant to which the Shunfeng Photovoltaic Holdings Limited has conditionally agreed to sell, and Sino Alliance Capital Ltd. has conditionally agreed to purchase, the target equity interest, representing 100% of the equity interests in Pu Xin Cheng Da (BVI) Limited which holds 100% entity interest in Xinjiang Pu Xin Cheng Da, at an aggregate consideration of approximately RMB664.3 million, which is equivalent to approximately HK\$777.5 million (the “**2022 Second Disposal**”).

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the 2022 Second Disposal Sale and Purchase Agreement and the 2022 Second Disposal exceed 75%, the 2022 Second Disposal constitutes a very substantial disposal of the Company which is subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

The 2022 Second Disposal was approved by the Shareholders at the extraordinary general meeting on 25 November 2022. The registration of share transfer of Pu Xin Cheng Da (BVI) Limited is expected to be completed prior to April 2023.

Human resources

As at 31 December 2022, the Group had 85 employees. The remuneration packages for the existing employees include basic salaries, discretionary bonuses and social security contributions. Pay levels of the employees are commensurate with their responsibilities, performance and contribution.

Final dividend

The Board has resolved not to declare final dividend for the Year.

Events subsequent to the Year

On 27 February 2023, Shanghai Shunneng and Shenzhen Shangde entered into a sale and purchase agreement with Zhonghe Huineng, pursuant to which Shanghai Shunneng and Shenzhen Shangde agreed to sell 100% of the equity interests in Baoshan Changshan at an aggregate consideration of RMB250,000. The registration for the share transfer was completed on 28 February 2023.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with all applicable code provisions under the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the Year.

COMPLIANCE WITH THE MODEL CODE

The Company has also adopted the Model Code set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the Year.

REVIEW OF AUDITED ANNUAL RESULTS

The Audit Committee has reviewed and agreed with the management on the accounting principles, treatment and practices adopted by the Group and discussed the internal controls and financial reporting matters (including the review of the audited annual results and the consolidated annual financial statements) for the Year with the Directors.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, Zhonghui Anda CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year as approved by the Board of Directors on 30 March 2023. The work performed by Zhonghui Anda CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or no assurance has been expressed by Zhonghui Anda CPA Limited on this announcement.

EXTRACT OF THE INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the consolidated financial statements of the Group for the Year.

“DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the material uncertainty relating to the going concern basis described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

As discussed in note 2.1 to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared, the Group incurred loss of RMB178,627,000 and RMB691,160,000 respectively for two consecutive years ended 31 December 2022 and 2021, and the Group had net current liabilities of RMB2,024,843,000 and net liabilities of RMB998,694,000 as at 31 December 2022. As at 31 December 2022, the Group had bank and other borrowings, convertible bonds and bond payables totalling RMB3,157,466,000 repayable within one year or on demand. Out of which, as at 31 December 2022, the Group had overdue bank and other borrowings and bonds payable of approximately RMB1,147,730,000 and RMB585,372,000, respectively.

Further, two bondholders of the 2015 Corporate Bond (as defined in note 39 to the consolidated financial statements) initiated an arbitration with the Group through the Shanghai Arbitration Commission for the settlement of the outstanding principal and accrued bond interests in arrears. A freezing order (the “**First Freezing Order**”) was issued by the Changzhou Intermediate People’s Court of Jiangsu Province upon the application by the two bondholders of the 2015 Corporate Bond and accordingly, the equity interests of four subsidiaries have been put under the First Freezing Order. As at 31 December 2022, the total principal amount of RMB329,909,000 (2021: RMB329,909,000) and accrued bond interests of RMB94,280,000 (2021: RMB68,548,000) were recognised in bond payables and trade and other payables, respectively. Up to the date of this report, the above proceedings have not been completed in the Shanghai Arbitration Commission.

Another freezing order (the “**Second Freezing Order**”) was issued by the Changzhou Intermediate People’s Court of Jiangsu Province upon a creditor (the “**Creditor**”) of a bondholder of the 2016 Corporate Bond (defined in note 39 to the consolidated financial statements) filed a petition with the Changzhou Intermediate People’s Court of Jiangsu Province requesting Shunfeng Photovoltaic Investment (China) Company Limited (順風光電投資(中國)有限公司) (“**Shunfeng Photovoltaic Investments**”) to settle the principal amount of RMB142 million of the 2016 Corporate Bond and

interests of the 2016 Corporate Bond to the Creditors. Certain interests of subsidiaries of the Group have been put under the Second Freezing Order. As at 31 December 2022, the total principal amount of the 2016 Corporate Bond of RMB255,463,000 and accrued bond interests of RMB81,583,000 were recognised in bond payables and trade and other payables, respectively. Up to the date of this report, the above proceedings have not been completed in the Changzhou Intermediate People’s Court of Jiangsu Province.

Lastly, a freezing order (the “**Third Freezing Order**”) was issued by the Nanchang Intermediate People’s Court of Jiangxi Province upon the application by a bank for the settlement of bank borrowings and accordingly, the equity interest of a subsidiary have been put under the Third Freezing Order. As at 31 December 2022, the total principal amount of RMB21,219,000 (2021: RMB22,185,000) were recognised in bank and other borrowings, of which principal amount of RMB4,829,000 were overdue. Up to the date of this report, the above proceedings have not been completed in the Nanchang Intermediate People’s Court of Jiangxi Province.

However, the Group maintained cash and cash equivalents of approximately RMB532,618,000 as at 31 December 2022 only.

These conditions indicate the existence of multiple uncertainties that cast a significant doubt on the Group’s ability to continue as a going concern. The directors of the Company are undertaking certain measures to improve the Group’s liquidity and financial position which are set out in note 2.1 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to uncertainties, including (i) whether the Group is able to complete the disposals of the subsidiaries as planned as well as collecting the sale proceeds in accordance with the amount and timing expected by the Company; (ii) whether the Group is able to release the First Freezing Order and the Second Freezing Order of certain subsidiaries which are expected to be disposed by the Group; and (iii) whether the Group is able to negotiate with creditors, banks, financial institutions and bondholders for alternative refinancing and/or extension of the due dates. We were unable to obtain sufficient appropriate evidence as to the likelihood, or otherwise, of these measures being successful. We considered that the material uncertainties have been adequately disclosed in the consolidated financial statements. However, in view of the extent of the multiple uncertainties relating to the successful outcome that certain measures to improve its financial position, to provide liquidity and cash flows, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.”

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

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the 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 Year.

PUBLICATION OF AUDITED ANNUAL RESULTS AND ANNUAL REPORT

This audited annual results announcement is published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.sfcgroup.com>). The annual report of the Company for the Year containing all the information as required by the Listing Rules will be despatched to the Shareholders and made available for review on the aforementioned websites in due course.

DEFINITIONS

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

“Audit Committee”	the audit committee of the Board
“Board”	the board of director(s) of the Company
“Company”	Shunfeng International Clean Energy Limited
“Corporate Governance Code”	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
“Directors(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKD” or “HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Jiangxi Shunfeng”	Jiangxi Shunfeng Photovoltaic Investment Co., Ltd.* (江西順風光電投資有限公司), a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“MW”	megawatt, which equals one million watts
“MWh”	megawatt hour
“PRC” or “China”	the People’s Republic of China
“PV”	photovoltaic
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Shunneng”	Shanghai Shunneng Investment Co., Ltd.* (上海順能投資有限公司), a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Shunfeng Photovoltaic Investments”	Shunfeng Photovoltaic Investments (China) Company Limited* (順風光電投資(中國)有限公司), a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company

“we”, “our” or “us” the Company or the Group (as the context requires)

“Year” twelve months ended 31 December 2022

By order of the Board
Shunfeng International Clean Energy Limited
Wang Yu
Chairman

Hong Kong, 30 March 2023

As at the date of this announcement, the executive Directors are Mr. Wang Yu, Mr. Zhang Fubo, Mr. Lu Bin and Mr. Chen Shi; and the independent non-executive Directors are Mr. Tao Wenquan, Mr. Zhao Yuwen and Mr. Kwong Wai Sun Wilson.

* *For identification purpose only*