



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

2024
INTERIM REPORT



WORLD'S LEADING
CLEAN ENERGY PROVIDER

LOW-CARBON & ENERGY-SAVING
INTEGRATED SOLUTIONS PROVIDER

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Wang Yu (*Chairman and Chief Executive Officer*)
Mr. Zhang Fubo
Mr. Lu Bin
Mr. Chen Shi

Independent Non-executive Directors

Mr. Zhao Yuwen
Mr. Kwong Wai Sun Wilson
Ms. Tse Wan Joyce (*appointed on 14 June 2024*)
Mr. Tao Wenquan (*retired on 14 June 2024*)

AUDIT COMMITTEE

Mr. Kwong Wai Sun Wilson (*Chairman*)
Mr. Zhao Yuwen
Ms. Tse Wan Joyce (*appointed on 14 June 2024*)
Mr. Tao Wenquan (*retired on 14 June 2024*)

REMUNERATION COMMITTEE

Mr. Kwong Wai Sun Wilson (*Chairman*)
Mr. Zhang Fubo
Mr. Zhao Yuwen
Ms. Tse Wan Joyce (*appointed on 14 June 2024*)
Mr. Tao Wenquan (*retired on 14 June 2024*)

NOMINATION COMMITTEE

Mr. Wang Yu (*Chairman*)
Mr. Kwong Wai Sun Wilson
Mr. Zhao Yuwen

COMPANY SECRETARY

Mr. Lu Bin



AUTHORIZED REPRESENTATIVES

Mr. Wang Yu
Mr. Lu Bin

REGISTERED OFFICE

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

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 3803-05, 38/F, China Resources Building,
No. 26 Harbour Road, Wan Chai,
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN CHINA

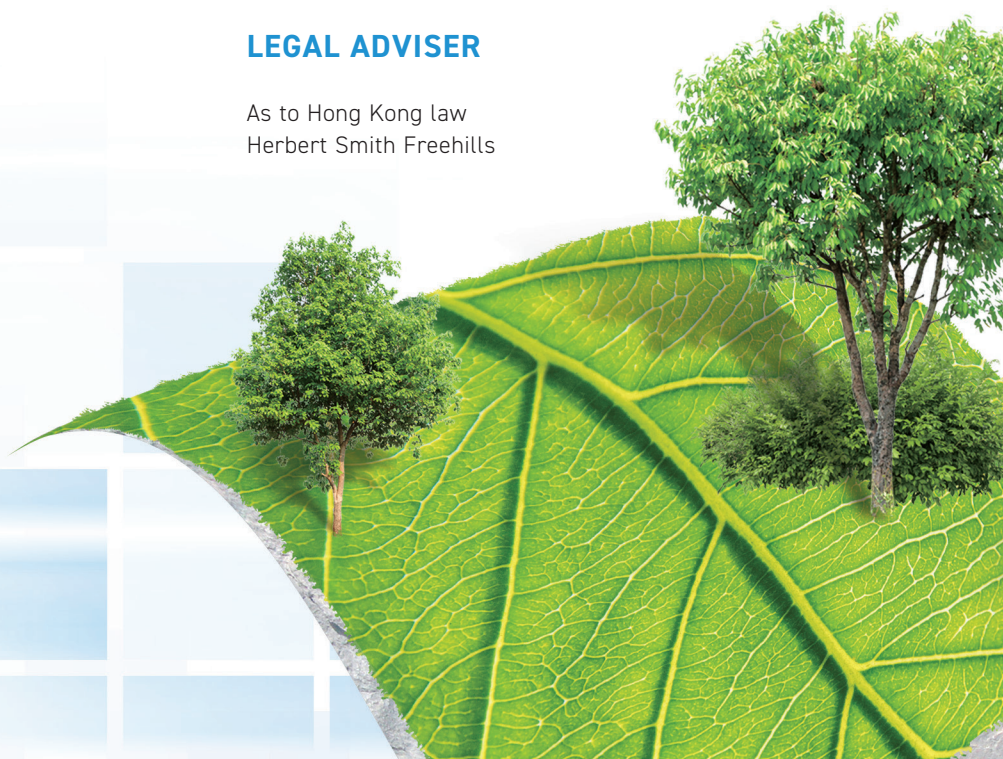
No. 12 Xinhua Road
National Hi-tech Industrial Development Zone
Wuxi City
Jiangsu 214028, China

AUDITOR

Zhonghui Anda CPA Limited

LEGAL ADVISER

As to Hong Kong law
Herbert Smith Freehills



CORPORATE INFORMATION (Continued)

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

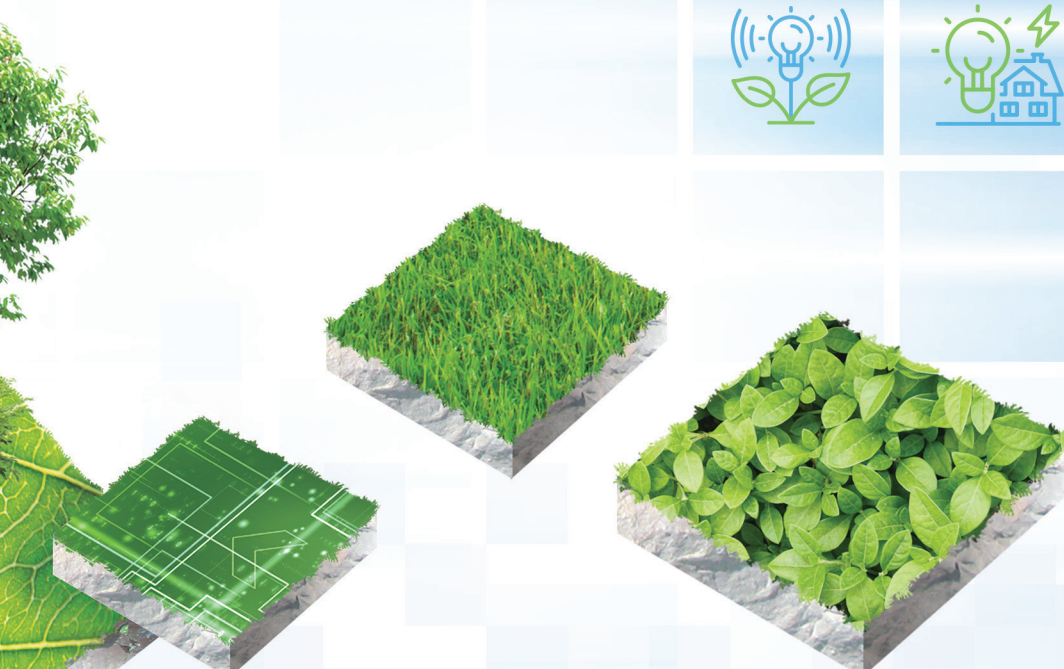
Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre, 183 Queen's Road East
Wanchai, Hong Kong

COMPANY WEBSITE

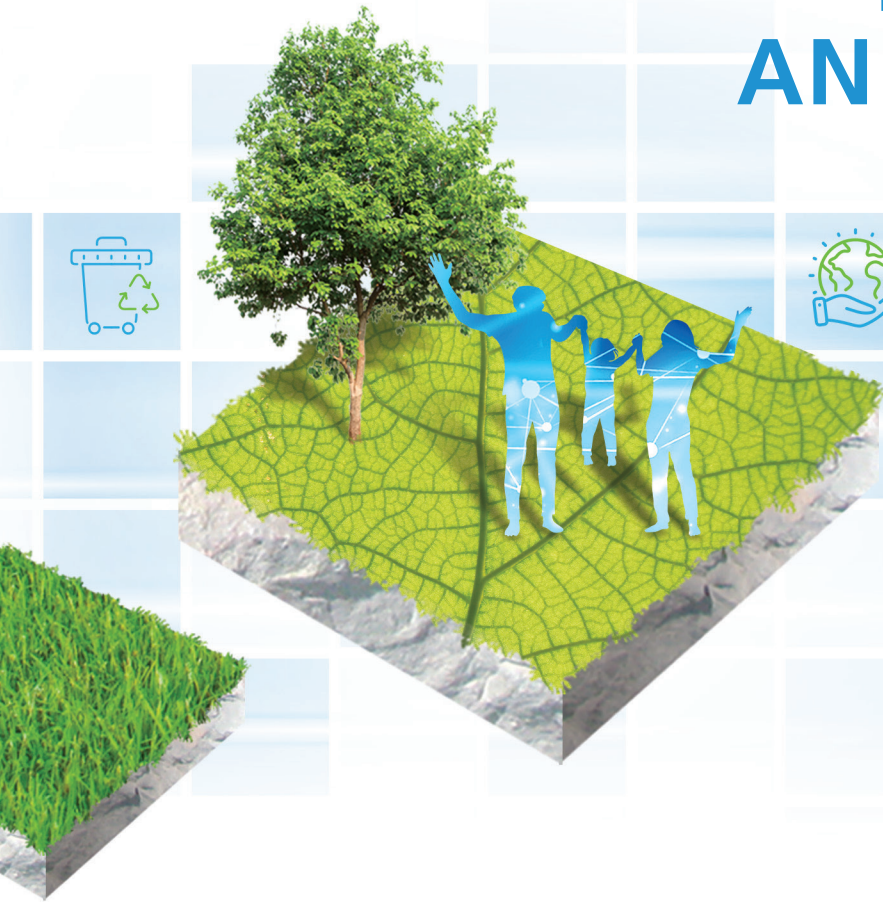
www.sfcegroup.com

STOCK CODE

01165



MANAGEMENT DISCUSSION AND ANALYSIS



The Group engages one segment of solar power generation in the PRC during the Period, which are mainly located in Xinjiang, Shandong and Jiangsu in the PRC.

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.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Solar Power Generation in the PRC

During the Period, the solar power plants in the PRC owned by the Group generated an aggregate of approximately 109,912MWh.

	For the six months ended 30 June		
	2024 MWh	2023 MWh	% of Change
Power generation volume in the PRC	109,912	182,364	(39.7%)

The Group's solar power plants in the PRC realised a total installed capacity of on-grid generation of approximately 256MW as of 30 June 2024.

Geographical information

During the Period, the top five customers represented approximately 59.0% of the total revenue of the Group, as compared to approximately 59.2% for the corresponding period in 2023. The largest customer accounted for approximately 14.5% of the total revenue of the Group, as compared to approximately 14.6% for the corresponding period in 2023. The largest customer is State Grid Xinjiang Electric Power Co., Ltd. Kezhou Power Supply Company, which is one of the state grid branch companies in the PRC to which the Company sells the electricity.

The sales to PRC-based customers represented 100% of the total revenue of the Group for the Period.

FINANCIAL REVIEW

Revenue

Solar power generation in the PRC

Revenue decreased by RMB54.5 million, or 39.7%, from RMB137.4 million for the corresponding period in 2023 to RMB82.9 million for the Period, primarily due to the completion of registration for the share transfer of target companies in connection with solar power plants disposals for the corresponding period in 2023, while there was no such revenue recognized during the Period. In particular, the completion of registration for the share transfer of the 100% equity interest of Baoshan Changshan Shunfeng Shangde New Energy Co., Ltd* (保山長山順風尚德新能源有限公司) in February 2023 and the 100% equity interest of Pu Xin Cheng Da (BVI) Limited in respect of the 2022 Second Disposal in June 2023, contributed to the decrease in revenue during the Period.

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 Period, resulting in a decrease in power generation. As a result, the revenue from the power generation in the PRC of the Group decreased by approximately RMB27 million and the power generation volume also recorded an estimated loss of approximately 34,000 MWh for the Period.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Cost of sales

Cost of sales decreased by RMB5.1 million, or 7.9%, from RMB64.3 million for the corresponding period in 2023 to RMB59.2 million for the Period, primarily because the power generation volume in the PRC decreased by 72,452MWh, or 39.7% from 182,364 MWh for the corresponding period in 2023 to 109,912 MWh for the Period.

Gross profit

Gross profit decreased by RMB49.4 million, or 67.6%, from RMB73.1 million for the corresponding period in 2023 to RMB23.7 million for the Period.

Other income

Other income decreased by RMB2.6 million, or 47.3%, from RMB5.5 million for the corresponding period in 2023 to RMB2.9 million for the Period, primarily due to the decrease in bank interest income by RMB1.8 million from RMB2.2 million for the corresponding period in 2023 to RMB0.4 million for the Period.

Other gains and losses

Other gains and losses recorded a net loss of RMB40.2 million for the Period, as compared to a net loss of RMB108.0 million recorded for the corresponding period in 2023, which was primarily due to (i) a net foreign exchange loss of RMB40.9 million recorded for the Period, while a net foreign exchange loss of RMB77.9 million was recorded for the corresponding period in 2023 and (ii) a loss on disposal of subsidiaries of RMB28.6 million recorded for the corresponding period in 2023, while there was no such loss recorded for the Period.

Impairment losses under expected credit loss model, net of reversal

An impairment loss under expected credit loss model of RMB19.2 million was recognised for the Period, as compared to an impairment loss under expected credit loss model of RMB16.5 million recognised for the corresponding period in 2023, which was primarily due to a loss allowance reversed on amounts due from the related parties of RMB24.5 million recorded for the corresponding period in 2023, while a loss allowance reversed on amounts due from the related parties of RMB15.7 million was recorded for the Period, and a loss allowance recognised on other receivables of RMB41.6 million was recorded for the corresponding period in 2023, as compared to a loss allowance recognised on other receivables of RMB34.4 million recorded for the Period.

Administrative expenses

Administrative and general expenses decreased by RMB10.8 million, or 26.5%, from RMB40.7 million for the corresponding period in 2023 to RMB29.9 million for the Period.

Share of profits of associates

Share of profits of associates for the Period decreased by RMB0.1 million, or 9.0%, from RMB1.1 million for the corresponding period in 2023 to RMB1 million for the Period.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Finance costs

Finance costs decreased by RMB64.3 million, or 29.1%, from RMB221.0 million for the corresponding period in 2023 to RMB156.7 million for the Period, which was primarily due to the decrease in interest on bank and other borrowings by RMB59.2 million, or 42.1%, from RMB140.6 million for the corresponding period in 2023 to RMB81.4 million for the Period.

Loss before income tax

Due to the above reasons, loss before income tax decreased by RMB88.0 million from RMB306.5 million for the corresponding period in 2023 to RMB218.5 million for the Period.

Income tax expense

Income tax expense decreased by RMB1.1 million, or 68.8%, from RMB1.6 million for the corresponding period in 2023 to RMB0.5 million for the Period.

Loss for the Period

As a result of the reasons stated above, the loss for the Period decreased by RMB89.1 million from RMB308.1 million for the corresponding period in 2023 to RMB219.0 million for the Period.

Trade receivables turnover days

The trade receivables turnover days as at 30 June 2024 was 1,732.1 days (31 December 2023: 1,247.9 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 30 June 2024 was 33.7 days (31 December 2023: 66.1 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 Period.

Indebtedness, liquidity, gearing ratio and capital structure

The Group's principal sources of working capital included cash flow from operating activities, bank borrowings and other borrowings. As at 30 June 2024, the Group's current ratio (current assets divided by current liabilities) was 0.50 (31 December 2023: 0.53) and it was in a negative net cash position.

As at 30 June 2024, the Group was in a negative net cash position of RMB3,560.1 million (31 December 2023: a negative net cash position of RMB3,444.6 million), which included cash and cash equivalents of RMB34.6 million (31 December 2023: RMB97.4 million), bank and other borrowings of RMB1,620.9 million (31 December 2023: RMB1,608.6 million), convertible bonds of RMB114.0 million (31 December 2023: RMB264.0 million), bonds payable of RMB585.4 million (31 December 2023: RMB585.4 million), loan from a related company of RMB669.0 million (31 December 2023: RMB664.2 million) and bond payable to a related company of RMB605.4 million (31 December 2023: RMB419.8 million).

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

The Group's borrowings, cash and bank balances, restricted bank deposits and pledged 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 -161.0% as at 31 December 2023 to -135.6% as at 30 June 2024.

During the Period, 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 2023: Nil).

Contingent liabilities, guarantees and major litigation

As at 30 June 2024, the Group did not provide guarantees to independent third parties and related parties (31 December 2023: Nil). As at 30 June 2024, the Group did not have any significant contingent liabilities (at 31 December 2023: Nil).

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. 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, 100% equity interest of Jiangsu Shunyang, 100% equity interest of Jiangxi Shunfeng and 100% equity interest of Turpan Shunfeng have been put under the First Freezing Order. As at 30 June 2024, the total principal amount of RMB329,909,000 (31 December 2023: RMB329,909,000) and accrued bond interests of RMB132,845,000 (31 December 2023: RMB120,014,000) were recognised in bond payables and trade and other payables, respectively. In May 2024, the Shanghai Arbitration Commission issued a judgment requiring Shunfeng Photovoltaic Investment to repay the principal of the 2015 Corporate Bond of approximately RMB330 million and the corresponding interest to the two bondholders.

On 10 June 2022, a creditor (the "**Creditor**") of a bondholder of 2016 Corporate Bond filed a petition with the Changzhou Intermediate People's Court of Jiangsu Province requesting 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 interest of the 2016 Corporate Bond to the Creditors.

Further, 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, Hainan Xinsheng, Yingjisha, Kezhou Baishide, Tongwei and Zhongjiancai have been put under the Second Freezing Order. As at 30 June 2024, the total principal amount of the 2016 Corporate Bond of RMB255,463,000 (31 December 2023: RMB255,463,000) and accrued bond interests of RMB111,062,000 (31 December 2023: RMB101,253,000) were recognised in bond payables and trade and other payables respectively. In April 2023, Changzhou Intermediate People's Court of Jiangsu Province issued a judgment requiring Shunfeng Photovoltaic Investment to repay the principal of the 2016 Corporate Bond of RMB142 million and the interest of approximately RMB55,198,000 to the Creditor. The Creditor appealed to the High People's Court of Jiangsu Province. Up to the date of this report, the above proceedings have not been completed in the High People's Court of Jiangsu Province.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

References are made to the Company's announcements dated 4 July 2022, 25 November 2022, 29 December 2022, 13 June 2023, and 12 January 2024 and the Company's circular (the "**Circular**") dated 26 October 2022, in relation to the sale and purchase agreement on 29 June 2022 and a supplemental sale and purchase agreement (the "**Supplemental Agreement**") on 13 June 2023 (collectively, the "**Final Sale and Purchase Agreements**") entered into among the Sino Alliance Capital Limited (the "**Purchaser**"), Shunfeng Photovoltaic Holdings Limited (the "**Vendor**"), Xinjiang Pu Xin Cheng Da Energy Technology Limited ("**Xinjiang Pu Xin Cheng Da**"), Jiangxi Shunfeng, Shunfeng Photovoltaic Investments, and the Company on 29 June 2022 and 13 June 2023, respectively. Unless otherwise defined, capitalised terms shall have the meanings as defined in the Circular. On 29 December 2023, the Company, Jiangxi Shunfeng, Shunfeng Photovoltaic investments and the Vendor (collectively, as the defendants) received a Writ of Summons issued on 29 December 2023 by the Purchaser (as the plaintiff) in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "**Court of First instance**"), claiming for the difference of loss of Xinjiang Pu Xin Cheng Da from 30 September 2020 to the date of Completion and the change of equity of Xinjiang Pu Xin Cheng Da from 31 December 2021 to the date of Completion, and other relevant costs. The Company disagrees with the claim and is currently seeking legal advice in respect of the above proceedings and intends to defend its position. During the six months ended 30 June 2024, the Company received the statement of claim from the plaintiff and the Company submitted the statement of defence to the Court of First instance. As of the date of this report, no court hearing date has been set and the Company and the plaintiff are progressing with the mediation and settlement negotiations. Except for the above, as of the date of this report, there is no further update.

The Board is continuing the process of assessing the potential impact of the above legal proceedings on the Company. Under any circumstance, the Company is equipped with sufficient resources to fully respond to the legal proceedings. Hence, it will not affect the normal operation of the Company. The Company will make further announcement(s) in due course to inform the Shareholders and potential investors of the Company of any major progress of the legal proceedings.

Charges on the Group's assets

At the end of the Period, save for restricted bank deposits and the right-of-use assets, the Group had pledged 100% of its equity interest in Shunfeng Photovoltaic Holdings Limited (31 December 2023: 100% of its equity interest in Shunfeng Photovoltaic Holdings Limited). Meanwhile, 90% to 100% equity interests and related assets of 17 (31 December 2023: 17) subsidiaries of the Group, which operated solar power generation, were also pledged in order to obtain bank and other borrowings.

As at 30 June 2024, the Group had pledged certain trade and other receivables with carrying amounts of RMB914.3 million (31 December 2023: RMB865.7 million) and solar power plants with a carrying amounts of RMB992.2 million (31 December 2023: RMB1,031.6 million) to various banks and other financial institutions for securing loans and general credit facilities granted to the Group.

As at 30 June 2024, the Group had pledged right-of-use assets and other deposits included in other non-current assets with carrying amounts of RMB18.3 million (31 December 2023: RMB13.5 million).

As at 30 June 2024, the Group pledged restricted bank deposits in an aggregate amount of approximately RMB3.8 million (31 December 2023: RMB6.4 million) to banks to secure banking credit facilities granted to the Group.

Save as disclosed above, as at 30 June 2024 and 31 December 2023, none of the other assets of the Group was pledged in favour of any financial institution.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Exposure to the fluctuation in exchange rates

Certain bank balances and cash, restricted bank deposits and pledged bank deposits, other receivables, other payables and 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

There was no significant investments held and material acquisitions or disposals during the Period.

Human resources

As at 30 June 2024, the Group had 71 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. The Group conducts on-going training for employees from time to time during their employment.

Interim dividend

The Board has resolved not to declare an interim dividend during the Period.

Events subsequent to the Period

There were no significant events after the Period up to 20 September 2024, being the latest practicable date prior to the printing of this report.

FUTURE PROSPECT

Following completion of the previous disposals of solar power plants since 2019 and the Lattice Power Disposal in 2021, the Group will focus on the solar power businesses in the PRC including the development and management of solar power plants.

The Group is also actively considering other ways to raise funds for the Group, including but not limited to alternative refinancing, extension of maturity dates of debts and/or further disposal of the remaining solar power plants, if appropriate, (the "**Proposed Plans**"). Once the Proposed Plans are fully or partly implemented, they are expected to strengthen the financial stability and shareholding and asset structure of the Group and support its long term strategic development. Any Proposed Plan will be subject to compliance with the Listing Rules and, if applicable, the approval of the Hong Kong Stock Exchange.

CORPORATE GOVERNANCE AND OTHER INFORMATION



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 C1 to the Listing Rules during the Period.

COMPLIANCE WITH THE MODEL CODE

The Company has also adopted the Model Code set out in Appendix C3 to 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 Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

REVIEW OF INTERIM FINANCIAL INFORMATION

The audit committee of the Board (the “**Audit Committee**”) has reviewed and agreed with the management of the Group on the accounting principles, treatment and practices adopted by the Group and discussed with the Directors the internal controls and financial reporting matters, including the review of the interim results and the unaudited condensed consolidated interim financial statements for the Period. The Audit Committee, together with management and the external auditor of the Company, Zhonghui Anda CPA Limited, have reviewed the unaudited interim condensed consolidated financial statements of the Company for the six months ended 30 June 2024. The Audit Committee considered that the interim financial statements for the Period are in compliance with the relevant accounting standards, the requirements of the Hong Kong Stock Exchange and the laws of Hong Kong, and that the Company has made appropriate disclosure thereof.

EXTRACT FROM THE REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following is an extract of the review report on the Group’s unaudited interim condensed consolidated financial statements for the Period:

“BASIS FOR DISCLAIMER OF CONCLUSION

As discussed in note 1 to the interim financial information concerning the adoption of the going concern basis on which the interim financial information has been prepared, the Group incurred loss of RMB219,004,000 and RMB308,115,000 respectively for two consecutive period of six months ended 30 June 2024 and 2023, and the Group had net current liabilities of RMB1,959,471,000 and net liabilities of RMB1,685,125,000 as at 30 June 2024. As at 30 June 2024, the Group had bank and other borrowings, convertible bonds and bond payables totaling RMB2,020,456,000 repayable within one year or on demand. In addition, as at 30 June 2024, the Group had overdue bank and other borrowings and bonds payable of approximately RMB486,972,000 and RMB585,372,000 respectively.

Further, two bondholders of a corporate bond initiated an arbitration with the Group through the Shanghai Arbitration Commission for the settlement of the outstanding principal of the corporate bond 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 four subsidiaries have been put under the First Freezing Order. As at 30 June 2024, the total principal amount of the corporate bond of RMB329,909,000 (31 December 2023: RMB329,909,000) and accrued bond interests of RMB132,845,000 (31 December 2023: RMB120,014,000) were recognised in bond payables and trade and other payables, respectively. In May 2024, the Shanghai Arbitration Commission issued a judgment requiring Shunfeng Photovoltaic Investment to repay the principal of the 2015 Corporate Bond of approximately RMB330 million and the corresponding interest to the Creditor.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

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 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 a corporate bond (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 30 June 2024, the total principal amount of the 2016 Corporate Bond of RMB255,463,000 (31 December 2023: RMB255,463,000) and accrued bond interests of RMB111,062,000 (31 December 2023: RMB101,253,000) were recognised in bond payables and trade and other payables, respectively. In April 2023, Changzhou Intermediate People's Court of Jiangsu Province issued a judgment requiring Shunfeng Photovoltaic Investment to settle the principal of the 2016 Corporate Bond of RMB142 million and the interest of approximately RMB55,198,000 to the Creditor. The Creditor appealed to the High People's Court of Jiangsu Province. Up to the date of this report, the above proceedings have not been completed in the High People's Court of Jiangsu Province.

However, the Group maintained cash and cash equivalents of approximately RMB34,587,000 as at 30 June 2024 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 1 to the interim financial information. The interim financial information has 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 possible disposals of the subsidiaries as planned as well as collecting the sale proceeds in accordance with the amount and timing expected by the Group; (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 interim financial information. 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.

DISCLAIMER OF CONCLUSION

We do not express a conclusion on the interim financial information of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Conclusion section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for a conclusion on the interim financial information."

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 Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

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 report, 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 for the Period.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or 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")) which were required (i) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements of the Model Code were as follows:

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of interest in total issued share capital of the Company
Mr. Wang Yu	Beneficial owner	27,345,588 (long position)	0.54%
Mr. Zhang Fubo	Beneficial owner	9,918,000 (long position)	0.20%

Note:

Save as disclosed above, to the best knowledge of the Directors, as at 30 June 2024, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions 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 were required (i) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements of the Model Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

RIGHTS TO PURCHASE SHARES OR DEBENTURES OF DIRECTORS AND CHIEF EXECUTIVE

No arrangements to which the Company, its subsidiary, its holding company or a subsidiary of its holding company is or was a party to enable the Directors and the chief executive of the Company to acquire benefits by means of acquisitions of shares in or debentures of the Company or any other body corporate subsisted at the end of the Period or at any time during the Period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2024, so far as is known to the Directors or chief executive of the Company, the following persons (other than the Directors and the chief executive of the Company) had, or was deemed to have, interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or the interests or short positions recorded in the register kept by the Company under section 336 of the SFO were as follows:

Name of Shareholders	Capacity	Number of Shares held	Approximate percentage of interest in total issued share capital of the Company
Peace Link Services Limited	Beneficial owner (Note 1)	1,920,465,426 (long position)	37.79%
Asia Pacific Resources Development Investment Limited	Beneficial owner and interest of controlled corporation (Note 2)	1,996,022,617 (long position)	39.27%
Mr. Cheng Kin Ming	Beneficial owner and interest of controlled corporation (Note 3)	1,996,022,617 (long position)	39.27%
Faithsmart Limited	Interest of controlled corporation (Note 4)	1,996,022,617 (long position)	39.27%
FOK Hei Yu	Interest of controlled corporation (Note 5)	1,996,022,617 (long position)	39.27%
Gardner Aaron Luke	Interest of controlled corporation (Note 5)	1,996,022,617 (long position)	39.27%
Coherent Gallery International Limited	Beneficial owner (Note 6)	242,967,960 (long position)	4.78%
Mr. Tang Guoqiang	Interest of controlled corporation (Note 7)	392,968,898 (long position)	7.73%

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

Notes:

1. Peace Link Services Limited is wholly owned by Asia Pacific Resources Development Investment Limited, which is in turn wholly owned by Faithsmart Limited, which is in turn wholly owned by Mr. Cheng Kin Ming. As at 30 June 2024, 523,364,486 Shares were allotted and issued to Peace Link Services Limited upon the exercise in full of the conversion rights attaching to the convertible bonds subscribed by Peace Link Services Limited pursuant to the subscription agreement dated 31 December 2012 entered into with the Company.
2. Asia Pacific Resources Development Investment Limited is the beneficial owner of 100% shareholding in Peace Link Services Limited and, therefore, Asia Pacific Resources Development Investment Limited is deemed to be interested in 1,920,465,426 Shares held by Peace Link Services Limited for the purpose of the SFO. Asia Pacific Resources Development Investment Limited held 75,557,191 Shares in its personal capacity.
3. Mr. Cheng Kin Ming is the beneficial owner of 100% shareholding in Faithsmart Limited. In turn, Faithsmart Limited is the beneficial owner of 100% shareholding in Asia Pacific Resources Development Investment Limited, and in turn, Asia Pacific Resources Development Investment Limited is the beneficial owner of 100% shareholding in Peace Link Services Limited. Therefore, Mr. Cheng Kin Ming is deemed to be interested in 1,996,022,617 Shares held by Asia Pacific Resources Development Investment Limited and Peace Link Services Limited for the purpose of the SFO.
4. Faithsmart Limited is the beneficial owner of 100% shareholding in Asia Pacific Resources Development Investment Limited and, therefore, Faithsmart Limited is deemed to be interested in 1,996,022,617 Shares held by Asia Pacific Resources Development Investment Limited for the purpose of the SFO.
5. Mr. Aaron Luke Gardner and Mr. FOK Hei Yu were appointed as the Joint and Several Receivers and Managers of the entire issued share capital of Asia Pacific Resources Development Investment Limited held by Faithsmart Limited and other associated rights on 3 October 2023, pursuant to the share charge dated 4 October 2019 and the supplemental share charge dated 23 December 2021 entered into between Faithsmart Limited (as chargor) and Sino Alliance Capital Ltd (as chargee).
6. Coherent Gallery International Limited is wholly owned by Mr. Tang Guoqiang.
7. Mr. Tang Guoqiang is the beneficial owner of 100% shareholding in Coherent Gallery International Limited and, therefore, Mr. Tang Guoqiang is deemed to be interested in 242,967,960 Shares held by Coherent Gallery International Limited for the purposes of the SFO.

Save as the disclosed above, to the best knowledge of the Directors, as at 30 June 2024, no person (other than the Directors or chief executive of the Company) had any interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or any interest or short positions recorded in the register kept by the Company under section 336 of the SFO.

PUBLICATION OF INTERIM REPORT

This interim report containing the relevant information required by the Listing Rules is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (<http://www.sfcegroup.com>).

By Order of the Board

Wang Yu

Chairman

Hong Kong

27 September 2024

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF SHUNFENG INTERNATIONAL CLEAN ENERGY LIMITED

順風國際清潔能源有限公司

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We were engaged to review the interim financial information set out on pages 20 to 55 which comprises the condensed consolidated statement of financial position of the Shunfeng International Clean Energy Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim financial information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" (the "IAS 34") issued by the International Accounting Standards Board (the "IASB"). The directors are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BASIS FOR DISCLAIMER OF CONCLUSION

As discussed in note 1 to the interim financial information concerning the adoption of the going concern basis on which the interim financial information has been prepared, the Group incurred loss of RMB219,004,000 and RMB308,115,000 respectively for two consecutive period of six months ended 30 June 2024 and 2023, and the Group had net current liabilities of RMB1,959,471,000 and net liabilities of RMB1,685,125,000 as at 30 June 2024. As at 30 June 2024, the Group had bank and other borrowings, convertible bonds and bond payables totaling RMB2,020,456,000 repayable within one year or on demand. In addition, as at 30 June 2024, the Group had overdue bank and other borrowings and bonds payable of approximately RMB486,972,000 and RMB585,372,000 respectively.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

BASIS FOR DISCLAIMER OF CONCLUSION (CONTINUED)

Further, two bondholders of a corporate bond initiated an arbitration with the Group through the Shanghai Arbitration Commission for the settlement of the outstanding principal of the corporate bond 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 four subsidiaries have been put under the First Freezing Order. As at 30 June 2024, the total principal amount of the corporate bond of RMB329,909,000 (31 December 2023: RMB329,909,000) and accrued bond interests of RMB132,845,000 (31 December 2023: RMB120,014,000) were recognised in bond payables and trade and other payables, respectively. In May 2024, the Shanghai Arbitration Commission issued a judgment requiring Shunfeng Photovoltaic Investment to repay the principal of the 2015 Corporate Bond of approximately RMB330 million and the corresponding interest to the Creditor.

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 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 a corporate bond (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 30 June 2024, the total principal amount of the 2016 Corporate Bond of RMB255,463,000 (31 December 2023: RMB255,463,000) and accrued bond interests of RMB111,062,000 (31 December 2023: RMB101,253,000) were recognised in bond payables and trade and other payables, respectively. In April 2023, Changzhou Intermediate People's Court of Jiangsu Province issued a judgment requiring Shunfeng Photovoltaic Investment to settle the principal of the 2016 Corporate Bond of RMB142 million and the interest of approximately RMB55,198,000 to the Creditor. The Creditor appealed to the High People's Court of Jiangsu Province. Up to the date of this report, the above proceedings have not been completed in the High People's Court of Jiangsu Province.

However, the Group maintained cash and cash equivalents of approximately RMB34,587,000 as at 30 June 2024 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 1 to the interim financial information. The interim financial information has 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 possible disposals of the subsidiaries as planned as well as collecting the sale proceeds in accordance with the amount and timing expected by the Group; (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 interim financial information. 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.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DISCLAIMER OF CONCLUSION

We do not express a conclusion on the interim financial information of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Conclusion section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for a conclusion on the interim financial information.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Li Shun Fai

Engagement Director

Practising Certificate Number P05498

Hong Kong, 30 August 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue	4	82,875	137,351
Cost of sales		(59,182)	(64,267)
Gross profit		23,693	73,084
Other income	6	2,936	5,470
Other gains and losses, net	7	(40,245)	(107,994)
Impairment losses recognised under expected credit loss model, net of reversal	8	(19,202)	(16,477)
Administrative expenses		(29,868)	(40,746)
Share of profits of associates		962	1,147
Finance costs	9	(156,742)	(220,975)
Loss before income tax	10	(218,466)	(306,491)
Income tax expenses	11	(538)	(1,624)
Loss for the period		(219,004)	(308,115)
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")		1	11
Other comprehensive income for the period		1	11
Total comprehensive loss for the period		(219,003)	(308,104)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Loss for the period attributable to:			
Owners of the Company		(216,861)	(305,957)
Non-controlling interests		(2,143)	(2,158)
		(219,004)	(308,115)
Total comprehensive loss attributable to:			
Owners of the Company		(216,860)	(305,946)
Non-controlling interests		(2,143)	(2,158)
		(219,003)	(308,104)
Loss per share			
– Basic (RMB cents)	13	(4.27)	(6.02)
– Diluted (RMB cents)	13	(4.27)	(6.02)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	14	25,919	26,172
Right-of-use assets	15	41,072	44,074
Solar power plants	16	1,017,735	1,058,015
Intangible assets	17	32,198	35,854
Interest in associates		38,413	37,451
Financial assets at fair value through profit or loss ("FVTPL")		1,000	1,000
Other non-current assets		17,779	12,921
Value-added tax recoverable		18,685	17,483
		1,192,801	1,232,970
Current assets			
Trade and other receivables	18	981,494	982,042
Receivables at FVTOCI		146	1,070
Value-added tax recoverable		6,241	7,569
Prepayments to suppliers		3,064	6,457
Amounts due from the related parties	19	932,295	915,668
Tax recoverables		219	-
Restricted bank deposits		3,844	6,417
Bank balances and cash		34,587	97,446
		1,961,890	2,016,669
Current liabilities			
Trade and other payables	20	984,950	924,637
Amounts due to the related parties	21	1,085,518	883,825
Lease liabilities		12,977	12,871
Tax liabilities		-	1,835
Bank and other borrowings	22	1,227,465	1,203,642
Convertible bonds	23	25,079	175,069
Bond payables		585,372	585,372
		3,921,361	3,787,251
Net current liabilities		(1,959,471)	(1,770,582)
Total assets less current liabilities		(766,670)	(537,612)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2024

	Notes	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Non-current liabilities			
Bank and other borrowings	22	393,450	404,962
Amounts due to the related parties	21	422,846	419,815
Lease liabilities		13,270	14,844
Convertible bonds	23	88,889	88,889
		918,455	928,510
Net liabilities		(1,685,125)	(1,466,122)
Capital and reserves			
Share capital	24	41,641	41,641
Reserves		(1,795,091)	(1,578,231)
Total equity attributable to owners of the Company		(1,753,450)	(1,536,590)
Non-controlling interests		68,325	70,468
Total equity		(1,685,125)	(1,466,122)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

Equity attributable to owners of the Company

	Share capital	Share premium	Special reserve	FVTOCI reserve	Exchange reserve	Convertible bonds equity reserve	Other reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2023 (audited)	41,641	6,078,548	(1,074,110)	(196)	151	879,850	-	(7,016,628)	(1,090,744)	92,050	(998,694)
Total comprehensive loss for the period (unaudited)	-	-	-	11	-	-	-	(305,957)	(305,946)	(2,158)	(308,104)
At 30 June 2023 (unaudited)	41,641	6,078,548	(1,074,110)	(185)	151	879,850	-	(7,322,585)	(1,396,690)	89,892	(1,306,798)
Balance at 1 January 2024 (audited)	41,641	6,078,548	(1,074,110)	(185)	151	761,381	3,601	(7,347,617)	(1,536,590)	70,468	(1,466,122)
Total comprehensive loss for the period (unaudited)	-	-	-	1	-	-	-	(216,861)	(216,860)	(2,143)	(219,003)
Transfer upon maturity of convertible bonds	-	-	-	-	-	(84,254)	-	84,254	-	-	-
At 30 June 2024 (unaudited)	41,641	6,078,548	(1,074,110)	(184)	151	677,127	3,601	(7,480,224)	(1,753,450)	68,325	(1,685,125)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Net cash used in operating activities	(10,886)	(29,163)
Cash flows from investing activities		
Receipt of consideration receivables in respect of disposal of subsidiaries in previous years	19,778	156,398
Withdrawal of restricted bank deposits	3,224	16,314
Loan repayment from independent third parties	917	3,149
Bank interest income received	385	2,200
Payments for construction cost in respect of solar power plants	(5,242)	(7,896)
Advance to independent third parties	(1,194)	(3,976)
Placement of restricted bank deposits	(651)	(2,479)
Payments for acquisition of property, plant and equipment	(399)	(1,400)
Net cash generated from investing activities	16,818	162,310
Cash flows from financing activities		
Bond interest paid to the related parties	(26,618)	-
Interest paid for bank and other borrowings	(26,169)	(11,651)
Repayment of bank and other borrowings	(9,232)	(28,973)
Repayment to independent third parties	(7,450)	-
Interest paid for convertible bonds	(3,183)	(26,852)
Repayment of lease liabilities	(2,139)	(3,019)
New other borrowings raised	6,000	-
Repayment to the former subsidiaries	-	(633,174)
Loan advanced from the former subsidiaries	-	158,340
Advance from independent third parties	-	22,070
Net cash used in financing activities	(68,791)	(523,259)
Net decrease in cash and cash equivalents	(62,859)	(390,112)
Cash and cash equivalents at 1 January	97,446	532,637
Cash and cash equivalents at 30 June	34,587	142,525
Cash and cash equivalents at end of period, represented by		
Bank balances and cash	34,587	142,525

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements should be read in conjunction with the 2023 annual consolidated financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2023.

1.1 Going Concern Basis

The Group incurred loss of RMB219,004,000 and RMB308,115,000 respectively for two consecutive period of six months ended 30 June 2024 and 2023, and the Group had net current liabilities of RMB1,959,471,000 and net liabilities of RMB1,685,125,000 as at 30 June 2024 respectively. As at 30 June 2024, the Group had bank and other borrowings, convertible bonds and bond payables totaling RMB2,020,456,000 repayable within one year or on demand. In addition, as at 30 June 2024, the Group had overdue bank and other borrowings and bonds payable of approximately RMB486,972,000 and RMB585,372,000 respectively.

During the six months ended 30 June 2024, there were two freezing orders had been issued in relation to the bond payables:

- Corporate Bond ("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 30 June 2024, the total principal amount of RMB329,909,000 (31 December 2023: RMB329,909,000) and accrued bond interests of RMB132,845,000 (31 December 2023: RMB120,014,000) were recognised in bond payables and trade and other payables, respectively. In May 2024, the Shanghai Arbitration Commission issued a judgment requiring Shunfeng Photovoltaic Investment to repay the principal of the 2015 Corporate Bond of approximately RMB330 million and the corresponding interest to the two bondholders.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

1. BASIS OF PREPARATION (Continued)

1.1 Going Concern Basis (Continued)

- Corporate Bond ("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 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, Hainan Xinsheng New Energy Technology Co. Ltd. (海南州鑫昇新能源科技有限公司) ("Hainan Xinsheng"), 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"), Kezhou Baishide New Energy Development Co., Ltd (克州百事德新能源開發有限公司) ("Kezhou Baishide"), Tongwei Solar Power Qiemu Co., Ltd (通威太陽能且末有限公司) ("Tongwei") 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) ("Zhongjiancai") have been put under the Second Freezing Order. As at 30 June 2024, the total principal amount of the 2016 Corporate Bond of RMB255,463,000 (31 December 2023: RMB255,463,000) and accrued bond interests of RMB111,062,000 (31 December 2023: RMB101,253,000) were recognised in bond payables and trade and other payables respectively. In April 2023, Changzhou Intermediate People's Court of Jiangsu Province issued a judgment requiring Shunfeng Photovoltaic Investment to repay the principal of the 2016 Corporate Bond of RMB142 million and the interest of approximately RMB55,198,000 to the Creditor. The Creditor appealed to the High People's Court of Jiangsu Province. Up to the date of this report, the above proceedings have not been completed in the High People's Court of Jiangsu Province.

However, the Group maintained cash and cash equivalents of approximately RMB34,587,000 as at 30 June 2024 only.

These conditions indicate the existence of a material uncertainty 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:

- completing the possible disposals of the subsidiaries as planned as well as collecting the sale proceeds in accordance with the amount and timing expected by the Company;
- releasing the First Freezing Order and the Second Freezing Order of certain subsidiaries which are expected to be disposed by the Group; and
- continuing to negotiate with creditors, banks, financial institutions and bondholders for alternative refinancing and/or extension of the due dates.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

1. BASIS OF PREPARATION (Continued)

1.1 Going Concern Basis (Continued)

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 condensed consolidated financial statements.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. IFRSs comprise International Financial Reporting Standards ("IFRS"); 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 financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised IFRSs that have been issued but are not yet effective. The application of these new and revised IFRSs will not have material impact on the financial statements of the Group. 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.

3. FAIR VALUE MEASUREMENTS

Except as disclosed in note 23 to condensed consolidated financial statements, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

3. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy

Description	Fair value measurements as at 30 June 2024 using:			
	Level 1	Level 2	Level 3	Total
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Recurring fair value measurements:				
Financial assets at fair value through profit or loss				
Unlisted equity investments	-	-	1,000	1,000
Receivables at FVTOCI	-	146	-	146
Total recurring fair value measurements	-	146	1,000	1,146

Description	Fair value measurements as at 31 December 2023 using:			
	Level 1	Level 2	Level 3	Total
	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)
Recurring fair value measurements:				
Financial assets at fair value through profit or loss				
Unlisted equity investments	-	-	1,000	1,000
Receivables at FVTOCI	-	1,070	-	1,070
Total recurring fair value measurements	-	1,070	1,000	2,070

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

3. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of assets measured at fair value based on level 3:

Description	Financial assets at fair value through profit or loss Unlisted equity investments RMB'000
At 1 January 2024 (Audited) and 30 June 2024 (Unaudited)	1,000

Description	Financial assets at fair value through profit or loss Unlisted equity investments RMB'000
At 1 January 2023 (Audited) and 30 June 2023 (Unaudited)	1,000

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Level 2 fair value measurements

Description	Valuation technique	Inputs	Fair value as at 30 June 2024 RMB'000 (unaudited)
Receivables at FVTOCI	Discounted cash flow	Discount rate	146
Description	Valuation technique	Inputs	Fair value as at 31 December 2023 RMB'000 (audited)
Receivables at FVTOCI	Discounted cash flow	Discount rate	1,070

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

3. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements: (Continued)

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at 30 June 2024 RMB'000 (unaudited)
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Unlisted equity investments classified as financial assets at FVTPL	Asset-based approach	Net assets	Note (a)	Increase	1,000
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Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at 31 December 2023 RMB'000 (audited)
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Unlisted equity investments classified as financial assets at FVTPL	Asset-based approach	Net assets	Note (a)	Increase	1,000
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Notes:

- (a) The fair values of unlisted equity investments are determined with reference to its net asset value.
- (b) There were no changes in the valuation techniques used.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

4. REVENUE

Disaggregation of revenue

A. Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue from sales of electricity		
Types of goods or service		
Sales of electricity	20,200	36,822
Tariff subsidies	62,675	100,529
Total	82,875	137,351
Geographical markets		
Mainland China	82,875	137,351
Timing of revenue recognition		
A point in time	82,875	137,351

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 for both periods is solar power generation in the PRC only.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

5. SEGMENT INFORMATION (Continued)

Segment revenue and results

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

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Segment revenue		
External sales	20,200	36,822
Tariff subsidies	62,675	100,529
	82,875	137,351
Segment loss	(29,439)	(26,480)
Unallocated income		
– Bank interest income	385	2,200
Unallocated expenses		
– Central administration costs	(49,215)	(86,972)
– Finance costs	(156,742)	(220,975)
Loss allowance reversed on amounts due from the related parties and other receivables	15,583	24,589
Share of profits of associates	962	1,147
Loss before income tax	(218,466)	(306,491)

Amounts included in the measure of segment loss:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Reversal of impairment loss on solar power plants	–	119
Provision of impairment loss on trade and other receivables and other non-current assets	(34,785)	(41,066)

The accounting policies of the operating segment are the same as the Group's accounting policies. Segment loss represents the loss incurred by segment without allocation of bank interest income, central administration costs, finance costs, loss allowance (recognised)/reversed on the amounts due from the related parties and other receivables and share of profits of associates. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

5. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Segment assets	2,105,505	2,145,411
Other unallocated assets	1,049,186	1,104,228
Consolidated assets	3,154,691	3,249,639
Segment liabilities	1,336,984	1,302,364
Other unallocated liabilities	3,502,832	3,413,397
Consolidated liabilities	4,839,816	4,715,761

Note:

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

- All assets are allocated to operating segment other than certain non-current assets, bank balances and cash, restricted bank deposits, financial assets at FVTPL, interests in associates, and amounts due from the related parties; and
- All liabilities are allocated to operating segment other than certain other payables, lease liabilities, liability component of the Group's convertible bonds, amounts due to the related parties, certain bank and other borrowings, and bond payables liable for centralised financing of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

5. SEGMENT INFORMATION (Continued)

Entity-wide disclosures

The following table sets forth a breakdown of the Group's revenue for the six months ended 30 June 2024 and 2023:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Sales of electricity	20,200	36,822
Tariff subsidies (Note)	62,675	100,529
Total	82,875	137,351

Note:

The amount represents the tariff subsidies adjusted with the amount of significant financing component. The amount is subject to the allocation of funds by the relevant government authorities and was determined in accordance with the on-grid unit tariff rate approval document and the electricity supply contracts.

Geographical information

Revenue from external customers, based on locations of customers, and information about the Group's non-current assets attributable to the Group by geographic areas are as follows:

	Revenue from external customers		Non-current assets	
	Six months ended 30 June		30 June	31 December
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	2023 RMB'000 (audited)
Mainland China	82,875	137,351	1,116,924	1,164,115

All the Group's non-current assets presented above, excluded those relating to interests in associates, financial assets at FVTPL, other non-current assets and value-added tax recoverable.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

5. SEGMENT INFORMATION (Continued)

Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total revenue of the Group are as follows:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Company A	N/A ¹	18,499
Company B	8,588	N/A ¹
Company C	10,100	19,352
Company D	11,695	18,937

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. OTHER INCOME

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Bank interest income	385	2,200
Imputed interest income of accrued revenue on tariff subsidies classified as trade receivables and contract assets (Note (i))	2,449	2,771
Others	102	499
	2,936	5,470

Notes:

- (i) The imputed interest income is released to other income, as a result of the significant financing component on sales of electricity 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

7. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Written off of property, plant and equipment	(3)	-
Written off of solar power plants	-	(801)
Reversal of impairment loss on solar power plants (Note (i))	-	119
Loss on disposal of subsidiaries	-	(28,643)
Gain on deregistration of a subsidiary	1,191	-
Reversal of legal claims	-	1,382
Net foreign exchange loss	(40,872)	(77,870)
Penalty	(641)	(2,711)
Others	80	530
	(40,245)	(107,994)

Notes:

- (i) The Group carried out reviews of the recoverable amount of its solar power plants in 2024 as a result of the change of market conditions. No reversal of impairment loss of solar power plants has been recognised in profit or loss (30 June 2023: reversal of impairment loss of RMB119,000).

8. IMPAIRMENT LOSSES RECOGNISED UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Loss allowances recognised/(reversed) on:		
Trade receivables – goods and services	302	(726)
Other receivables	34,430	41,551
Amounts due from the related parties	(15,672)	(24,497)
Other non-current assets	142	149
	19,202	16,477

The basis of determining the inputs and assumptions and the estimation techniques used in these interim condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

9. FINANCE COSTS

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Interest on bank and other borrowings	81,361	140,627
Interest on amount due to related companies	25,259	24,299
Interest on lease liabilities	663	827
Effective interest on convertible bonds	8,741	32,707
Effective interest on bond payables	22,640	22,515
Effective interest on bond payables to a related company	18,078	-
	156,742	220,975

10. LOSS BEFORE INCOME TAX

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Loss before tax has been arrived at after charging/(crediting):		
Staff costs (including directors' remuneration)	12,334	13,391
Retirement benefit scheme contributions	1,601	1,995
Total staff costs	13,935	15,386
Reversal of impairment loss on solar power plants	-	(119)
Depreciation of property, plant and equipment	649	617
Depreciation of completed solar power plants	43,021	46,037
Depreciation of right-of-use assets	3,002	3,311
Amortisation of intangible assets	3,656	7,617

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

11. INCOME TAX EXPENSES

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
PRC Enterprise Income Tax ("EIT")		
Current period	405	1,002
Under provision in prior periods	133	622
Income tax expense	538	1,624

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from Hong Kong for both periods.

Certain subsidiaries of the Group, being enterprises engaged in public infrastructure 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 periods.

12. DIVIDEND

No dividends were paid, declared or proposed during the six months ended 30 June 2024 and 2023. The directors have determined that no dividend will be paid in respect of the current interim period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

13. LOSS PER SHARE – BASIC AND DILUTED

(a) Basic loss per share

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

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Loss for the period attributable to owners of the Company for the purposes of basic loss per share	(216,861)	(305,957)
Weighted average number of ordinary shares for the purpose of basic loss per share	5,082,375,490	5,082,375,490
Loss per share (RMB cents)	(4.27)	(6.02)

(b) Diluted loss per share

As the exercise of the Group's outstanding convertible bonds for both periods would be anti-dilutive, diluted loss per share was presented the same as basic loss per share in both periods.

14. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group had additions to property, plant and equipment of RMB399,000 (Six months ended 30 June 2023: RMB1,309,000).

Property, plant and equipment with a net book value of RMB3,000 were written off by the Group during the six months ended 30 June 2024 resulting in a net loss on written off of RMB3,000 (Six months ended 30 June 2023: Nil).

During the six months ended 30 June 2024, the Group did not dispose of any property, plant and equipment (Six months ended 30 June 2023: Nil).

15. MOVEMENTS IN RIGHT-OF-USE ASSETS

During the six months ended 30 June 2024, the Group had no addition to right-of-use assets (Six months ended 30 June 2023: Nil).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

16. MOVEMENTS IN SOLAR POWER PLANTS

During the six months ended 30 June 2024, the Group had additions to solar power plant under construction (including capital expenditure for incomplete solar power plants) of RMB2,741,000 (Six months ended 30 June 2023: RMB1,884,000).

During the six months ended 30 June 2024, no solar power plants (Six months ended 30 June 2023: Nil) transferred from solar power plants under construction to completed solar power plants and no reversal of impairment loss of solar power plants (Six months ended 30 June 2023: reversal of impairment loss of RMB119,000).

As at 30 June 2024, completed solar power plants and solar power plants under construction amounted to RMB1,015,661,000 (31 December 2023: RMB1,057,588,000) and RMB2,074,000 (31 December 2023: RMB427,000), respectively.

17. MOVEMENTS IN INTANGIBLE ASSETS

During the six months ended 30 June 2024, the Group had no addition to intangible assets (Six months ended 30 June 2023: Nil).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

18. TRADE AND OTHER RECEIVABLES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Trade receivables	26,734	29,021
Accrued revenue on tariff subsidies (Note (i))	805,547	736,805
	832,281	765,826
Less: loss allowance recognised	(6,126)	(5,824)
Total trade receivables and accrued revenue on tariff subsidies	826,155	760,002
Prepaid expenses	237	233
Other receivables		
Amounts due from independent third parties (Note (ii))	4,848	6,757
Amounts due from a disposed subsidiary (Note (ii))	441	1,420
Consideration receivables for disposal of subsidiaries in previous years (Note (iii))	20,887	20,483
Consideration receivables for disposal of Wushi and Two Target Companies (Note (iv))	22,987	70,867
Consideration receivables for disposal of Baoshan Changshan (Note (v))	70	241
Security deposits (Note (vi))	103,207	119,184
Others (Note (vii))	2,662	2,855
Total prepaid expenses and other receivables	155,339	222,040
Total	981,494	982,042

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.

In the opinion of the directors of the Company, the revenue recognition of tariff subsidies is proper based on their judgement and taking into account the opinion from the Group's PRC legal advisor, that the Group's operating solar power plants have qualified for registration in the Catalogue, and have met all the relevant requirements and conditions for the registration in the Catalogue. The directors of the Company are confident that the Group's operating solar power plants are able to be registered in the Catalogue in due course and the accrued revenue on tariff subsidies is fully recoverable upon the allocation of funds from the PRC government.

- (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 30 June 2024, the amount included consideration receivable from the disposal of the subsidiaries amounting to RMB20,887,000, net of loss allowance of RMB33,982,000 (31 December 2023: RMB20,483,000, net of loss allowance of RMB34,386,000). The amount was non-trade in nature, unsecured, interest-free and repayable within one year.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

18. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- (iv) As at 30 June 2024, the amount included consideration receivable from the disposal of (i) Wushi Longbai Electricity Investment Co., Ltd (烏什龍柏電力投資有限公司) ("Wushi") and (ii) 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) (collectively, the "Two Target Companies") amounting to RMB22,987,000, net of loss allowance of RMB47,259,000 (31 December 2023: RMB70,867,000, net of loss allowance of RMB19,158,000).
- (v) As at 30 June 2024, the amount included consideration receivable from the disposal of Baoshan Changshan amounting to RMB70,000, net of loss allowance of RMB180,000 (31 December 2023: RMB241,000, net of loss allowance of RMB9,000).
- (vi) The amount represented securities deposits placed by the Group against the Group's outstanding corporate bond payables, short term borrowings and short term leases. As at 30 June 2024, loss allowance of RMB3,987,000 (31 December 2023: RMB736,000) was recognised.
- (vii) As at 30 June 2024 and 31 December 2023, balances mainly represented custom deposits and advances to staff for the operational purpose.

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:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
0 to 30 days	16,335	11,780
31 to 60 days	16,533	14,261
61 to 90 days	12,488	14,803
91 to 180 days	92,590	48,834
Over 180 days	688,209	670,324
	826,155	760,002

The Group's trade receivables and accrued revenue on tariff subsidies from the sales of electricity are mainly receivables from the state grid companies. 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 companies upon finalisation of the allocation of funds by relevant government authorities to the state grid companies.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

18. TRADE AND OTHER RECEIVABLES (Continued)

The following is an ageing analysis of trade receivables (which with a defined credit policy), net of loss allowance, presented based on electricity transmitted dates, which approximated the respective revenue recognition date, at the end of the reporting period:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
0 to 30 days	4,254	2,973
31 to 60 days	2,687	1,565
61 to 90 days	978	1,224
91 to 180 days	950	4,197
Over 180 days	13,284	14,744
	22,153	24,703

19. AMOUNTS DUE FROM THE RELATED PARTIES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Consideration receivables arising from the disposal of subsidiaries in previous year (Note (i))	843,069	828,851
Amount due from a non-controlling shareholder (Note (ii))	3,465	3,407
Loan advanced to the related parties (Note (iii))	74,627	73,105
Others	5	5
Trade receivables (Note (iv))	11,339	10,675
Less: loss allowance recognised	(210)	(375)
	932,295	915,668

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

19. AMOUNTS DUE FROM THE RELATED PARTIES (Continued)

Notes:

- (i) As at 30 June 2024, the amount included RMB843,069,000 (net of loss allowance of RMB15,942,000) (31 December 2023: RMB828,851,000 (net of loss allowance of RMB30,161,000)), representing the consideration receivable from Asia Pacific Resources Development Investment Limited ("Asia Pacific Resources"), an indirect wholly-owned company controlled by Mr. Cheng, a substantial shareholder of the Company, arising from disposal of subsidiaries in 2019. The amount due was unsecured, interest-free, and repayable on demand.
- (ii) As at 30 June 2024, the amount included RMB3,465,000 (net of loss allowance of RMB66,000) (31 December 2023: RMB3,407,000 (net of loss allowance of RMB124,000)), representing the receivable from a non-controlling shareholder. The amount due was unsecured, interest-free, and repayable on demand.
- (iii) As at 30 June 2024, the amount included RMB74,627,000 (net of loss allowance of RMB1,392,000) (31 December 2023: RMB73,105,000 (net of loss allowance of RMB2,623,000)), representing the loan advanced to former subsidiaries, which are now indirectly and wholly-owned by Mr. Cheng. The amounts due were unsecured, interest-free, and repayable within one year.
- (iv) As at 30 June 2024, the amount mainly included RMB11,129,000 (net of loss allowance of RMB210,000) (31 December 2023: RMB10,300,000 (net of loss allowance of RMB375,000)), arising from the supply and the sales of electricity to the former subsidiaries, which are now indirectly and wholly-owned by Mr. Cheng, generated from the Group's roof-top solar power plant, which was trade related, unsecured and interest-free, and the credit period granted by the Group to the related party was 180 days. Certain portion of the balance was aged within 0 to 365 days, while the remaining portion was aged over 365 days, based on the electricity transmitted date.

20. TRADE AND OTHER PAYABLES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Trade payables	2,398	1,355
Payables for EPC of solar power plants (Note (i))	44,459	46,960
Other tax payables	14,670	13,870
Amounts due to independent third parties (Note (ii))	7,987	15,437
Interest payables	806,467	735,816
Accrued expenses	8,596	10,340
Accrued payroll and welfare	1,144	1,580
Consideration payable for previous acquisition of subsidiaries (Note (iii))	6,849	6,849
Amounts due to a disposed subsidiary (Note (ii))	91,092	91,092
Others	1,288	1,338
	984,950	924,637

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 30 June 2024 and 31 December 2023, 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

20. TRADE AND OTHER PAYABLES (Continued)

The credit period on purchases of goods is 0 to 180 days (31 December 2023: 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:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
0 to 30 days	1,599	768
31 to 60 days	160	85
61 to 90 days	160	50
91 to 180 days	479	151
Over 180 days	-	301
	2,398	1,355

21. AMOUNTS DUE TO THE RELATED PARTIES

Analysed for reporting purpose as:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Current		
Loan advanced from the former subsidiaries (Note (i))	71,538	71,538
Payable to a non-controlling shareholder	30,000	30,000
Interest payable to a related company (Note (ii))	128,367	102,266
Loan from a related company (Note (ii))	669,009	664,244
Bond payable to Peace Link (Note (iii))	182,540	-
Second CB interest payable to Peace Link	-	3,179
Bond interest payable to Peace Link	4,064	12,598
	1,085,518	883,825
Non-current		
Bond payable to Peace Link (Note (iii))	422,846	419,815

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

21. AMOUNTS DUE TO THE RELATED PARTIES (Continued)

Notes:

- (i) As at 30 June 2024, the balances due to the former subsidiaries, which is now directly and wholly-owned by Mr. Cheng, a substantial shareholder of the Company, were non-trade in nature, unsecured, interest-free and repayable on demand.
- (ii) On 23 December 2021, the Group entered into a framework agreement and all relevant legal documents with Sino Alliance Capital Limited and Asia Pacific Resources, in which Asia Pacific Resources settled the total amount of HKD733,000,000 to Sino Alliance Capital Limited on behalf of the Group. As at 30 June 2024, the amount of HKD733,000,000 (equivalent to RMB669,009,000) (31 December 2023: HKD733,000,000 (equivalent to RMB664,244,000)) was unsecured, carried interest rate at 7.5% per annum and repayable on 22 December 2024. The interest payable to Asia Pacific Resources amounting to RMB128,367,000 (31 December 2023: RMB102,266,000) was non-trade in nature, unsecured, interest-free and repayable on demand.
- (iii) On 18 August 2023, the Company entered into a convertible bond redemption agreement and a bond subscription agreement with Peace Link Services Limited ("Peace Link"), a company beneficially owned by a substantial shareholder of the Company, pursuant to which the Company has completed the redemption in respect of the Second CB with Peace Link by issuing bonds in the principal amount of HKD466,346,000. The bonds were issued on 18 August 2023, bear interest at 8% per annum, and are repayable on 17 August 2025.

On 16 April 2024, the Company entered into a convertible bond redemption agreement and a bond subscription agreement with Peace Link, a company beneficially owned by a substantial shareholder of the Company, pursuant to which the Company has completed the redemption in respect of the Third CB with Peace Link by issuing bonds in the principal amount of HKD200,000,000 (the "New Bonds"). The New Bonds were issued on 16 April 2024, interest-free, unsecured, and are repayable on 16 April 2026 with the repayment on demand clause. As at 30 June 2024, the New bonds with a carrying amount of RMB182,540,000 were classified as current liability.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

22. BANK AND OTHER BORROWINGS

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Bank borrowings	538,606	544,770
Other borrowings	1,082,309	1,063,834
	1,620,915	1,608,604
Secured and guaranteed	886,367	880,571
Secured and unguaranteed	389,103	390,863
Unsecured and unguaranteed	345,445	337,170
	1,620,915	1,608,604
Fixed-rate borrowings	757,587	738,136
Variable-rate borrowings	863,328	870,468
	1,620,915	1,608,604
Carrying amount repayable:		
Within one year	1,227,465	1,203,642
More than one year, but not exceeding two years	86,674	189,668
More than two years, but not exceeding five years	306,776	211,604
More than five years	-	3,690
	1,620,915	1,608,604
Less: amounts due within one year shown under current liabilities	(1,227,465)	(1,203,642)
Amounts shown under non-current liabilities	393,450	404,962

As at 30 June 2024, the amounts of borrowings overdue was approximately RMB486,972,000 (31 December 2023: RMB868,962,000).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

22. BANK AND OTHER BORROWINGS (Continued)

The banking facilities of the Group were secured by the following assets:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Right-of-use assets	559	586
Solar power plants	992,201	1,031,633
Trade receivables, contract assets and accrued revenue on tariff subsidies	811,135	746,571
Security deposit included in trade and other receivables	103,130	119,184
Other deposits included in other non-current assets	17,779	12,921
	1,924,804	1,910,895

Meanwhile, 90% to 100% of equity interests of certain subsidiaries of the Group were pledged in order to obtain bank and other borrowings.

The ranges of effective interest rate of the Group's interest-bearing borrowings are as follows:

	30 June 2024 (unaudited)	31 December 2023 (audited)
Effective interest rate:		
Fixed rate borrowings	4.0% to 10.0%	4.0% to 10.0%
Variable rate borrowings	4.9% to 12.0%	4.9% to 12.0%

As at 30 June 2024 and 31 December 2023, the Group had variable-rate borrowings which carried interest based on the benchmark interest rate issued by the People's Republic of China. Interest was reset every one month, three months or one year.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

23. CONVERTIBLE BONDS

The movements of the liability components of the convertible bonds during the six months ended 30 June 2024 and 2023 are set out below:

	First CB (note (a)) RMB'000	Second CB (note (b)) RMB'000	Third CB (note (c)) RMB'000	Total RMB'000
At 1 January 2023 (Audited)	110,167	371,825	123,637	605,629
Effective interest expense charged for the period	3,801	-	12,432	16,233
At 30 June 2023 (Unaudited)	113,968	371,825	136,069	621,862
At 1 January 2024 (Audited)	113,968	-	149,990	263,958
Effective interest expense charged for the period	-	-	8,741	8,741
Redemption of the Third CB by issuing New Bonds	-	-	(158,731)	(158,731)
At 30 June 2024 (Unaudited)	113,968	-	-	113,968
Representing:				
At 30 June 2024 (Unaudited)				
Current liabilities	25,079	-	-	25,079
Non-current liabilities	88,889	-	-	88,889
	113,968	-	-	113,968
At 31 December 2023 (Audited)				
Current liabilities	25,079	-	149,990	175,069
Non-current liabilities	88,889	-	-	88,889
	113,968	-	149,990	263,958

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

23. CONVERTIBLE BONDS (Continued)

(a) First CB (as defined below)

On 28 February 2013, the Company issued zero-coupon convertible bonds at par to Peace Link with principal amount of HKD449,400,000 (equivalent to RMB356,660,000 as calculated using pre-determined fixed rate of exchange of RMB1.00 to HKD1.26) ("First CB"). Please refer to the annual report of 2023 for details.

As at 30 June 2024, a certain portion of the First CB of RMB25,079,000 was classified as current liability as the early redemption option gives the holder the right (except for Peace Link has waived such right as detailed below) to require the Company to redeem 100% of the First CB on demand on 28 February 2023. Meanwhile, as at 30 June 2024, the remaining portion of the First CB of RMB88,889,000 was classified as current liability as the Group has obtained an intention letter from Peace Link, one of the convertible bondholder of the First CB, which expressed its consent not to exercise the right to early redemption for a period of 12 months from the end of the reporting period.

(b) Second CB (as defined below)

On 19 August 2013, the Company issued convertible bonds at par to Peace Link with principal amount of HKD930,500,000 (equivalent to RMB738,492,000 as calculated using pre-determined fixed rate of exchange of RMB1.00 to HKD1.26) ("Second CB"). Please refer to the annual report of 2023 for details.

On 18 August 2023, the Company entered into a convertible bond redemption agreement and a bond subscription agreement with Peace Link, a company beneficially owned by a substantial shareholder of the Company, pursuant to which the Company has completed the redemption in respect of the Second CB with Peace Link by issuing bonds (Note 21).

(c) Third CB (as defined below)

On 16 April 2014, the Company issued zero-coupon convertible bonds at par to Peace Link and other independent third parties with aggregate principal amount of HKD3,580,000,000 (equivalent to RMB2,841,270,000 as calculated using pre-determined fixed rate of exchange of RMB1.00 to HKD1.26) ("Third CB"). As at 16 April 2024, the remaining principal balance was HK\$200,000,000 (31 December 2023: HK\$200,000,000). Please refer to the annual report of 2023 for details.

On 16 April 2024, the Company entered into a convertible bond redemption agreement and a bond subscription agreement with Peace Link, a company beneficially owned by a substantial shareholder of the Company, pursuant to which the Company has completed the redemption in respect of the Third CB with Peace Link by issuing bonds (Note 21).

(d) The directors estimate the fair value of the liability component of the convertible bonds at 30 June 2024 to be approximately RMB15,357,000 (31 December 2023: RMB200,523,000). This fair value has been calculated by discounting the future cash flows at the market interest rate (level 3 fair value measurements).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

24. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised		
At 1 January 2023 (Audited), 31 December 2023 (Audited), 1 January 2024 (Audited) and 30 June 2024 (Unaudited) – Ordinary shares of HKD0.01 each	10,000,000,000	100,000
	Number of shares	Amount HK\$'000
Issued and fully paid		
At 1 January 2023 (Audited), 31 December 2023 (Audited), 1 January 2024 (Audited) and 30 June 2024 (Unaudited)	5,082,375,490	50,823
	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Presented in the interim condensed consolidated financial statements as	41,641	41,641

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

25. RELATED PARTY DISCLOSURES

(a) Related party transactions

Save as disclosed elsewhere in these interim condensed consolidated financial statements, the Group had also entered into the following related party transactions during the six months ended 30 June 2024 and 2023.

Name of related parties	Relationship	Nature of transactions	Six months ended 30 June	
			2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Tiancheng International Auctioneer Limited ("Tiancheng International") ("天成國際拍賣有限公司")	Note (i)	Interest expense on lease liabilities	-	3
Wuxi Suntech Power Co., Ltd ("Wuxi Suntech")	Note (ii)	Sales of power generation	611	670
Wuxi University Science Park International Incubator Co., Ltd ("Wuxi Incubator") ("無錫大學科技園國際孵化器有限公司")	Note (i)	Utility	-	447
Asia Pacific Resources	Note (iii)	Interest expense	25,259	24,299
Peace Link	Note (iv)	Interest expense	26,819	31,795

Notes:

- (i) Management considers Tiancheng International and Wuxi Incubator are related parties of the Group as they are 100% owned by Ms. Zheng Yan, who is the spouse of Mr. Lu Bin (an executive Director) and a family member of Mr. Cheng Kin Ming (a substantial shareholder of the Company).
- (ii) Management of the Company considers Wuxi Suntech is a related party of the Group as it is currently held by Asia Pacific Resources, an entity wholly-owned and controlled by Mr. Cheng, a substantial shareholder of the Company.
- (iii) Management of the Company considers Asia Pacific Resources is a related party as it is 100% owned and controlled by Mr. Cheng, a substantial shareholder of the Company.
- (iv) Peace Link is beneficially owned by Mr. Cheng, a substantial shareholder of the Company.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

25. RELATED PARTY DISCLOSURES (Continued)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management of the Group during the six months ended 30 June 2024 and 2023 was as follows:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Basic salaries and allowances	3,607	3,033
Retirement benefit scheme contributions	33	32
	3,640	3,065

The remuneration of directors and key management is determined with reference to the performance of individuals and market trends.

26. CONTINGENT LIABILITIES AND MAJOR LITIGATION

(a) Contingent liabilities

The Group did not have any significant contingent liabilities as at 30 June 2024 (at 31 December 2023: Nil).

(b) Major litigation

(i) Arbitration lodged by two bondholders of corporate bonds (the "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. 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, 100% equity interest of Jiangsu Shunyang, 100% equity interest of Jiangxi Shunfeng and 100% equity interest of Turpan Shunfeng have been put under the First Freezing Order. As at 30 June 2024, the total principal amount of RMB329,909,000 (31 December 2023: RMB329,909,000) and accrued bond interests of RMB132,845,000 (31 December 2023: RMB120,014,000) were recognised in bond payables and trade and other payables, respectively. In May 2024, the Shanghai Arbitration Commission issued a judgment requiring Shunfeng Photovoltaic Investment to repay the principal of the 2015 Corporate Bond of approximately RMB330 million and the corresponding interest to the two bondholders.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

26. CONTINGENT LIABILITIES AND MAJOR LITIGATION (Continued)

(b) Major litigation (Continued)

(ii) Petition filed by a creditor of the 2016 Corporate Bond Holder (the “2016 Corporate Bond”)

On 10 June 2022, a creditor (the “Creditor”) of a bondholder of 2016 Corporate Bond filed a petition with the Changzhou Intermediate People’s Court of Jiangsu Province requesting 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 interest of the 2016 Corporate Bond to the Creditors.

Further, 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, Hainan Xinsheng, Yingjisha, Kezhou Baishide, Tongwei and Zhongjiancai have been put under the Second Freezing Order. As at 30 June 2024, the total principal amount of the 2016 Corporate Bond of RMB255,463,000 (31 December 2023: RMB255,463,000) and accrued bond interests of RMB111,062,000 (31 December 2023: RMB101,253,000) were recognised in bond payables and trade and other payables respectively. In April 2023, Changzhou Intermediate People’s Court of Jiangsu Province issued a judgment requiring Shunfeng Photovoltaic Investment to repay the principal of the 2016 Corporate Bond of RMB142 million and the interest of approximately RMB55,198,000 to the Creditor. The Creditor appealed to the High People’s Court of Jiangsu Province. Up to the date of this report, the above proceedings have not been completed in the High People’s Court of Jiangsu Province.

(iii) Arbitration lodged by Sino Alliance Capital Limited (the “Purchaser”)

References are made to the Company’s announcements dated 4 July 2022, 25 November 2022, 29 December 2022, 13 June 2023, and 12 January 2024 and the Company’s circular (the “Circular”) dated 26 October 2022, in relation to the sale and purchase agreement on 29 June 2022 and a supplemental sale and purchase agreement (the “Supplemental Agreement”) on 13 June 2023 (collectively, the “Final Sale and Purchase Agreements”) entered into among the Sino Alliance Capital Limited (the “Purchaser”), Shunfeng Photovoltaic Holdings Limited (the “Vendor”), Xinjiang Pu Xin Cheng Da Energy Technology Limited (“Xinjiang Pu Xin Cheng Da”), Jiangxi Shunfeng, Shunfeng Photovoltaic Investments, and the Company on 29 June 2022 and 13 June 2023, respectively. Unless otherwise defined, capitalised terms shall have the meanings as defined in the Circular. On 29 December 2023, the Company, Jiangxi Shunfeng, Shunfeng Photovoltaic investments and the Vendor (collectively, as the defendants) received a Writ of Summons issued on 29 December 2023 by the Purchaser (as the plaintiff) in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the “Court of First Instance”), claiming for the difference of loss of Xinjiang Pu Xin Cheng Da from 30 September 2020 to the date of Completion and the change of equity of Xinjiang Pu Xin Cheng Da from 31 December 2021 to the date of Completion, and other relevant costs. The Company disagrees with the claim and is currently seeking legal advice in respect of the above proceedings and intends to defend its position. During the six months ended 30 June 2024, the Company received the statement of claim from the plaintiff and the Company submitted the statement of defence to the Court of First instance. As of the date of this report, no court hearing date has been set and the Company and the plaintiff are progressing with the mediation and settlement negotiations. Except for the above, as of the date of this report, there is no further update.

27. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period up to 30 August 2024.

28. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

These interim financial information were approved and authorised for issue by the Board of Directors on 30 August 2024.

DEFINITIONS

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

"Board"	the board of director(s) of the Company
"Company", "we" or "us"	Shunfeng International Clean Energy Limited
"Corporate Governance Code"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HKD" or "HK\$"	Hong Kong dollars, 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
"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 C3 to the Listing Rules
"MW"	megawatt, which equals to one million watt
"MWh"	megawatt hour
"Period"	six months ended 30 June 2024
"PRC" or "China"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK\$0.01 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Wuxi Suntech"	Wuxi Suntech Power Co., Ltd.