

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



順風國際清潔能源有限公司

SHUNFENG INTERNATIONAL CLEAN ENERGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01165)

ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Board is pleased to announce the audited consolidated annual results of the Group for the Year together with the comparative figures for the year ended 31 December 2023 as follows:

RESULTS HIGHLIGHTS			
	For the year ended 31 December 2024 RMB'000	For the year ended 31 December 2023 RMB'000	% of Changes
Revenue			
– Solar power generation	159,793	238,481	(33.0%)
Gross profit	41,081	118,185	(65.2%)
Loss for the year	(440,269)	(471,040)	(6.5%)
EBITDA	(20,662)	43,904	(147.1%)
Adjusted EBITDA*	97,684	177,678	(45.0%)
Basic loss per share	RMB(8.57) cents	RMB(8.84) cents	(3.1%)

* Adjusted EBITDA excluded finance costs, income tax, depreciation and amortisation, net foreign exchange loss, bank interest income, share of profits of associates, impairment loss on intangible assets, gain/(loss) on deregistration of subsidiaries, loss on disposal of subsidiaries, loss on disposal of solar power plant, gain on disposal of property, plant and equipment, and loss allowance recognised/(reversed) on trade and other receivables, other non-current assets and amounts due from the related parties and a non-controlling shareholder.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the audited results of the Group for the Year.

In 2024, the Company has been adhering to the clear and responsive strategies and the effective resources allocation plan devised by the Board and the management previously in order to strike a balance between continuing to hold long-term assets and reducing short-term cash flow deficit in the interests of the Shareholders and the Company.

Undoubtedly, 2024 is a challenging year for the Company. Pursuant to the Notice on Carrying out Self-inspection Work on Renewable Energy Power Generation Subsidies (《關於開展可再生能源發電補貼自查工作的通知》) (hereinafter referred to as the "324 Notice") jointly issued by the General Office of the National Development and Reform Commission, the General Office of Ministry of Finance and the National Energy Administration on 24 March 2022, the nationwide inspection of renewable energy power generation subsidies has been carried out. By the end of the Year, the relevant authorities have not yet announced the results of the subsidies inspection on some of the Company's solar power plants in the PRC, which has resulted in the fact that the Company has not completed the sale of the project of solar power plant project in 2024.

Furthermore, as mentioned in the Company's announcement dated 1 November 2024, the two bondholders of the Group's 2015 corporate bonds applied to the Changzhou Intermediate People's Court of Jiangsu Province for enforcement of the case; and as mentioned in the Company's announcement dated 13 February 2025, True Bold Global Limited, one of the Company's creditors, filed a winding-up petition against the Company with the High Court of the Hong Kong Special Administrative Region.

Notwithstanding the above, the Company has persistently maintained full communication and friendly negotiations with all creditors, striving to seek a solution. At the same time, the Company is also actively seeking potential buyers to negotiate the proposed disposal of certain solar power plant assets, thereby reducing the Company's total debt and finance costs.

FUTURE PROSPECT

Looking forward, the Company expects to receive the results of the subsidies inspection of the solar power plants under the 324 Notice as soon as possible, so as to promote the proposed disposal plan of certain solar power plants of the Company and improve the cash flow position of the Company. Meanwhile, we expect to reach a consensus with all creditors on the solution.

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

Wang Yu
Chairman

28 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	159,793	238,481
Cost of sales		<u>(118,712)</u>	<u>(120,296)</u>
Gross profit		41,081	118,185
Other income	6	4,653	8,808
Other gains and losses, net (Impairment losses)/reversal of impairment loss under expected credit loss model, net of reversal	7	(76,188)	(165,803)
Administrative expenses		(32,196)	47,315
Share of profits of associates		(60,215)	(78,558)
Finance costs	8	1,647	1,802
		<u>(318,037)</u>	<u>(398,163)</u>
Loss before tax		(439,255)	(466,414)
Income tax expense	10	(1,014)	(4,626)
		<u>(440,269)</u>	<u>(471,040)</u>
Loss for the year	9	(440,269)	(471,040)
Other comprehensive (loss)/income:			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Fair value (loss)/gain on receivables at fair value through other comprehensive income (“FVTOCI”)		<u>(6)</u>	<u>11</u>
Other comprehensive (loss)/income for the year, net of tax		<u>(6)</u>	<u>11</u>
Total comprehensive loss for the year		<u>(440,275)</u>	<u>(471,029)</u>

	<i>Notes</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loss for the year attributable to:			
Owners of the Company		(435,480)	(449,458)
Non-controlling interests		<u>(4,789)</u>	<u>(21,582)</u>
		<u>(440,269)</u>	<u>(471,040)</u>
 Total comprehensive loss for the year attributable to:			
Owners of the Company		(435,486)	(449,447)
Non-controlling interests		<u>(4,789)</u>	<u>(21,582)</u>
		<u>(440,275)</u>	<u>(471,029)</u>
 Loss per share			
– Basic (RMB cents)	<i>12</i>	<u>(8.57)</u>	<u>(8.84)</u>
– Diluted (RMB cents)	<i>12</i>	<u>(8.57)</u>	<u>(8.84)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		25,981	26,172
Right-of-use assets		38,675	44,074
Solar power plants		974,869	1,058,015
Intangible assets		18,381	35,854
Interests in associates		39,098	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		18,551	17,483
		<u>1,134,334</u>	<u>1,232,970</u>
Current assets			
Trade and other receivables	13	987,672	982,042
Receivables at FVTOCI		2,448	1,070
Value-added tax recoverable		6,242	7,569
Prepayments to suppliers		3,335	6,457
Amounts due from related parties		900,171	915,668
Tax recoverables		376	—
Restricted bank deposits		5,749	6,417
Bank balances and cash		13,077	97,446
		<u>1,919,070</u>	<u>2,016,669</u>
Current liabilities			
Trade and other payables	14	1,080,540	924,637
Amounts due to the related parties		1,530,418	883,825
Lease liabilities		13,240	12,871
Tax liabilities		—	1,835
Bank and other borrowings		1,272,228	1,203,642
Convertible bonds		25,079	175,069
Bond payables		585,372	585,372
		<u>4,506,877</u>	<u>3,787,251</u>

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net current liabilities	<u>(2,587,807)</u>	<u>(1,770,582)</u>
Total assets less current liabilities	<u>(1,453,473)</u>	<u>(537,612)</u>
Non-current liabilities		
Bank and other borrowings	355,268	404,962
Amounts due to the related parties	—	419,815
Lease liabilities	10,947	14,844
Convertible bonds	<u>88,889</u>	<u>88,889</u>
	<u>455,104</u>	<u>928,510</u>
NET LIABILITIES	<u><u>(1,908,577)</u></u>	<u><u>(1,466,122)</u></u>
EQUITY		
Share capital	41,641	41,641
Reserves	<u>(2,013,717)</u>	<u>(1,578,231)</u>
Total equity attributable to owners of the Company	<u>(1,972,076)</u>	<u>(1,536,590)</u>
Non-controlling interests	<u>63,499</u>	<u>70,468</u>
TOTAL EQUITY	<u><u>(1,908,577)</u></u>	<u><u>(1,466,122)</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The consolidated financial statements are presented in RMB, which is also the functional currency of the Company.

2. BASIS OF PREPARATION

2.1 Going Concern Basis

The Group incurred loss of RMB440,269,000 and RMB471,040,000 respectively for the two consecutive years ended 31 December 2024 and 2023, and the Group had net current liabilities of RMB2,587,807,000 and net liabilities of RMB1,908,577,000 as at 31 December 2024. As at 31 December 2024, the Group had bank and other borrowings, convertible bonds and bond payables totaling RMB1,882,679,000 repayable within one year or on demand. Out of which, as at 31 December 2024, the Group had overdue bank and other borrowings and bonds payable of approximately RMB908,316,000 and RMB585,372,000 respectively.

During the year, there were two freezing orders had been issued in relation to the bond payables:

– **2015 Corporate Bond**

Two bondholders of the 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 Changzhou Intermediate People’s Court of Jiangsu Province upon the application by the two bondholders and accordingly, the equity interests of certain subsidiaries including, 95% equity interest of Xinjiang Tianli Enze Solar Technology Co., Ltd. (新疆天利恩澤太陽能科技有限公司) (“Xinjiang Tianli”), 100% equity interest of Jiangsu Shunyang New Energy Industrial Park Development Co., Ltd. (江蘇順陽新能源產業園發展有限公司) (“Jiangsu Shunyang”), 100% equity interest of Jiangxi Shunfeng Photovoltaic Investment Co., Ltd. (江西順風光電投資有限公司) (“Jiangxi Shunfeng”) and 100% equity interest of Turpan Shunfeng Clean Energy Investments Limited (吐魯番順風清潔能源投資有限公司) (“Turpan Shunfeng”), have been put under the First Freezing Order. As at 31 December 2024, the total principal amount of RMB329,909,000 (2023: RMB329,909,000) and accrued bond interests of RMB145,817,000 (2023: RMB120,014,000) were recognised in bond payables and other payables, respectively. In May 2024, the Shanghai Arbitration Commission issued a judgment (the “Judgment”) requiring Shunfeng Photovoltaic Investment (China) Company Limited (順風光電投資(中國)有限公司) (“Shunfeng Photovoltaic Investments”) to repay the principal of the 2015 Corporate Bond of approximately RMB329,909,000 and the corresponding interest to the two bondholders. Due to the failure to fulfill the relevant repayment obligations as per Judgment, the two bondholders of the 2015 Corporate Bond applied for the enforcement regarding to the outstanding liabilities to the Court and the Court issued an enforcement notice in September 2024.

– **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 RMB142,000,000 of the 2016 Corporate Bond and interests of the 2016 Corporate Bond to the Creditor.

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”) and Tongwei Solar Power Qiemu Co., Ltd (通威太陽能且末有限公司) (“Tongwei”) have been put under the Second Freezing Order. As at 31 December 2024, the total principal amount of the 2016 Corporate Bond of RMB255,463,000 (2023: RMB255,463,000) and accrued bond interests of RMB120,978,000 (2023: RMB101,253,000) were recognised in bond payables 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 RMB142,000,000 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 announcement, the above proceedings have not been completed in the High People’s Court of Jiangsu Province.

Also, subsequent to 31 December 2024, a winding-up petition against the Company (the “Petition”) dated 13 February 2025 was filed by the creditor of the other borrowings at the High Court of the Hong Kong Special Administrative Region in connection with the financial obligation of the Company of the outstanding overdue principal amount and accrued interest of HK\$289.1 million in aggregate. As at 31 December 2024, the total principal amount of RMB159,621,000 (2023: RMB156,393,000) and accrued interests of RMB116,657,000 (2023: RMB99,208,000) was recognised in bank and other borrowings and other payables respectively.

However, the Group maintained cash and cash equivalents of approximately RMB13,077,000 as at 31 December 2024 only.

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

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

- (i) 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;

- (ii) releasing the First Freezing Order and the Second Freezing Order of certain subsidiaries which are expected to be disposed by the Group; and
- (iii) continuing to negotiate with creditors, banks, financial institutions and bondholders for alternative refinancing and/or extension of the due dates.

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

3. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. IFRS Accounting Standards comprise International Financial Reporting Standards; International Accounting Standards ("IAS") and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

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

4. REVENUE

A. Disaggregation of revenue from contracts with customers

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from sales of electricity		
Sales of electricity	39,826	67,047
Tariff subsidies	<u>119,967</u>	<u>171,434</u>
	<u><u>159,793</u></u>	<u><u>238,481</u></u>
Geographical market		
The PRC	<u>159,793</u>	<u>238,481</u>
Timing of revenue recognition		
At a point in time	<u>159,793</u>	<u>238,481</u>

B. Performance obligations for contracts with customers

Sales of electricity

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

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

Tariff subsidies

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

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

5. SEGMENT INFORMATION

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

Segment revenue and results

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

	2024	2023
	RMB'000	RMB'000
Segment revenue		
Sales of electricity	39,826	67,047
Tariff subsidies (<i>Note</i>)	119,967	171,434
	<u>159,793</u>	<u>238,481</u>
Segment (loss)/profit	<u>(20,011)</u>	<u>72,412</u>
Unallocated income		
– Bank interest income	440	4,112
Unallocated expenses		
– Central administration costs	(30,429)	(19,779)
– Net foreign exchange loss	(79,166)	(98,103)
– Finance costs	(318,037)	(398,163)
Impairment loss on intangible assets	(10,157)	(60,227)
Reversal of provision on legal claims	–	1,382
Loss allowance reversed on amounts due from the related parties	16,280	30,062
Loss allowance reversed on certain other receivables	178	88
Share of profits of associates	1,647	1,802
	<u>1,647</u>	<u>1,802</u>
Loss before tax	<u>(439,255)</u>	<u>(466,414)</u>

Note:

The amount represents the tariff subsidies which were 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.

Amounts included in the measure of segment profit:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Loss on disposal of subsidiaries	–	(28,643)
Loss allowance (recognised)/reversed on certain trade and other receivables, contract assets and other non-current assets, net	(48,654)	17,165

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

Segment results do not include certain bank interest income, central administration cost, finance costs, gain on settlement of a financial guarantee, loss on disposal of subsidiaries, reversal of provision on legal claims, loss allowance reversed on amounts due from the related parties and certain other receivables and share of profits of associates.

6. OTHER INCOME

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	440	4,112
Imputed interest income of accrued revenue on tariff subsidies classified as trade receivables and contract assets (<i>Note</i>)	4,189	4,645
Others	24	51
	<u>4,653</u>	<u>8,808</u>

Note:

The imputed interest income is recorded to other income, as a result of the significant financing component on accrued revenue of tariff subsidies in the PRC. As the Ministry of Finance does not set out a rigid timetable for the settlement of accrued revenue on tariff subsidies, which is subject to settlement by state grid company upon finalisation of the allocation of funds by relevant government authorities to the state grid company, resulting in the recognition of significant financing component at initial time, and the imputed interest income would be released to other income, accordingly.

7. OTHER GAINS AND LOSSES, NET

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Impairment loss on intangible assets		(10,157)	(60,227)
Written off of solar power plants		(3,682)	(2,501)
Loss on disposal of subsidiaries		–	(28,643)
Penalty	(a)	(442)	(811)
Gain/(loss) on deregistration of subsidiaries		1,191	(30)
Written off trade and other payables		8,550	6,252
Net foreign exchange loss		(79,166)	(98,103)
Gain on disposal of property, plant and equipment		47	–
Reversal of provision on legal claims		–	1,382
Written off of property, plant and equipment		(3)	–
Loss on disposal of solar power plant		(152)	–
Others		7,626	16,878
		<u>(76,188)</u>	<u>(165,803)</u>

Note:

- (a) During the year ended 31 December 2024, it represented the penalty in relation to the late settlement of the land use tax in the PRC.

8. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank and other borrowings	175,086	236,665
Interest on loan from a related company	50,988	49,967
Interest on lease liabilities	1,284	1,450
Effective interest on convertible bonds	8,741	51,257
Effective interest on bond payables	45,528	45,404
Effective interest on bond payables to a related company	36,410	13,420
	<u>318,037</u>	<u>398,163</u>

9. LOSS FOR THE YEAR

This is stated at after charging the following:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Directors' emoluments	7,622	7,539
Staff costs	16,663	15,029
Contributions to defined contribution retirement plans	3,425	3,472
	<hr/>	<hr/>
Total staff costs	27,710	26,040
	<hr/>	<hr/>
Impairment loss on intangible assets	10,157	60,227
Auditor's remuneration	2,100	2,100
Depreciation of property, plant and equipment	1,332	1,397
Depreciation of completed solar power plants	85,996	88,986
Depreciation of right-of-use assets	5,912	6,538
Amortisation of intangible assets	7,316	15,234
Written off of solar power plant	3,682	2,501
	<hr/> <hr/>	<hr/> <hr/>

10. INCOME TAX EXPENSE

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax – PRC Enterprise Income Tax		
Charge for the year	881	4,602
Under provision in prior years	133	24
	<hr/>	<hr/>
	1,014	4,626
	<hr/> <hr/>	<hr/> <hr/>

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

No provision for Hong Kong profits tax was provided as the Group did not have assessable profits arising in Hong Kong during the year ended 31 December 2024 (2023: nil).

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

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

11. DIVIDENDS

The directors do not recommend or declare the payment of any dividend in respect of the years ended 31 December 2024 and 2023.

12. LOSS PER SHARE

Basic loss per share

The calculation of the basic loss per share is based on the following:

	2024	2023
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	5,082,375,490	5,082,375,490
	2024	2023
	RMB'000	RMB'000
Loss for the year attributable to equity shareholders of the Company	<u>(435,480)</u>	<u>(449,458)</u>

Diluted loss per share

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

13. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables		25,367	29,021
Accrued revenue on tariff subsidies	<i>i, viii</i>	836,896	736,805
		862,263	765,826
<i>Less: loss allowance recognised</i>		(11,135)	(5,824)
Total trade receivables and accrued revenue on tariff subsidies		851,128	760,002
Prepaid expenses		217	233
Other receivables			
Amounts due from independent third parties	<i>ii</i>	5,459	6,757
Amounts due from a disposed subsidiary	<i>ii</i>	440	1,420
Consideration receivables for disposal of subsidiaries in previous years	<i>iii</i>	16,911	20,483
Consideration receivables for disposal of Wushi and Two Target Companies	<i>iv</i>	7,657	70,867
Consideration receivables for disposal of Baoshan Changshan	<i>v</i>	70	241
Security deposits	<i>vi, viii</i>	103,208	119,184
Others	<i>vii</i>	2,582	2,855
Total prepaid expenses and other receivables		136,544	222,040
		987,672	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. Accrued revenue on tariff subsidies is discounted at an effective interest rate ranged from 1.10% to 2.12% (2023: ranged from 2.12% to 2.34%) per annum as at 31 December 2024.
- (ii) All balances due are unsecured, interest-free and repayable on demand. Management of the Company expects the balances would be settled within the next 12 months after the end of the reporting period.
- (iii) As at 31 December 2024, the amount included consideration receivable from the disposal of the subsidiaries amounting to RMB16,911,000, net of loss allowance of RMB27,398,000 (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.

- (iv) As at 31 December 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 RMB7,657,000, net of loss allowance of RMB62,590,000 (2023: RMB70,867,000, net of loss allowance of RMB19,158,000).
- (v) As at 31 December 2024, the amount included consideration receivable from the disposal of Baoshan Changshan Shunfeng Shangde New Energy Co., Ltd (保山長山順風尚德新能源有限公司) (“Baoshan Changshan”) amounting to RMB70,000, net of loss allowance of RMB180,000 (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 31 December 2024, loss allowance of RMB3,937,000 (2023: RMB736,000) was recognised.
- (vii) The amount mainly included custom deposits and advances to staff for the operational purpose for both years.
- (viii) Certain trade receivable and accrued revenue on tariff subsidies and security deposits had been pledged as securities for securing loans and general credit facilities granted to the Group as at 31 December 2024 and 2023.

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.

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 30 days	9,110	11,780
31 to 60 days	9,338	14,261
61 to 90 days	10,409	14,803
91 to 180 days	36,726	48,834
Over 180 days	785,545	670,324
	851,128	760,002

14. TRADE AND OTHER PAYABLES

	<i>Notes</i>	2024 RMB'000	2023 <i>RMB'000</i>
Trade payables		2,690	1,355
Payables for EPC of solar power plants	<i>i</i>	45,072	46,960
Other tax payables		5,587	13,870
Amounts due to independent third parties	<i>ii</i>	7,136	15,437
Interest payables		908,680	735,816
Accrued expenses		10,975	10,340
Accrued payroll and welfare		1,171	1,580
Consideration payable for previous acquisition of subsidiaries	<i>iii</i>	6,849	6,849
Amounts due to a disposed subsidiary		91,092	91,092
Others		1,288	1,338
		<u>1,080,540</u>	<u>924,637</u>

Notes:

- (i) Amount represented payables incurred for engineering, procurement and construction (“EPC”) of solar power plants. The amounts would be repayable within twelve months after the end of the reporting period and such amounts were therefore classified as current liabilities at the end of the reporting period.
- (ii) As at 31 December 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.

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

	2024 RMB'000	2023 <i>RMB'000</i>
0 to 30 days	1,599	768
31 to 60 days	451	85
61 to 90 days	160	50
91 to 180 days	480	151
Over 180 days	—	301
	<u>2,690</u>	<u>1,355</u>

15. EVENTS AFTER THE REPORTING PERIOD

The Petition dated 13 February 2025 was filed by the creditor of the other borrowings at the High Court of the Hong Kong Special Administrative Region in connection with the financial obligation of the Company of the outstanding overdue principal amount and accrued interest in aggregate of HK\$289.1 million.

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS REVIEW

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

Solar power generation in the PRC

During the Year, the solar power plants in the PRC owned by the Group generated an aggregate of approximately 208,517MWh.

	For the year ended		
	31 December		
	2024	2023	% of Changes
	<i>MWh</i>	<i>MWh</i>	
Power generation volume in the PRC	<u>208,517</u>	<u>298,718</u>	(30.2%)

The Group's solar power plants in the PRC realised a total installed capacity of on-grid generation of approximately 256MW as of 31 December 2024.

Geographical information

During the Year, the top five customers represented approximately 60.7% of total revenue, as compared to approximately 56.9% for the year ended 31 December 2023. The largest customer accounted for approximately 14.3% of total revenue, as compared to approximately 14.9% for the year ended 31 December 2023. The largest customer is Kezhou Power Supply Company of State Grid Xinjiang Electric Power Company Limited, 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 total revenue for the Year.

FINANCIAL REVIEW

Revenue

Solar power generation in the PRC

Revenue decreased by RMB78.7 million, or 33.0%, from RMB238.5 million for the year ended 31 December 2023 to RMB159.8 million for the Year, primarily due to the completion of registration for the share transfer of target companies in connection with solar power plants disposals for the Year, while there was no such revenue recognised during the Year. 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 Year.

Further, the solar power plants of the Group which are located in certain provinces or regions in the PRC were affected by the influence of curtailment on energy generation during the Year, resulting in a decrease in power generation. As a result, the revenue from power generation in the PRC of the Group decreased by approximately RMB65 million and the power generation volume also recorded an estimated loss of approximately 82,000 MWh for the Year.

Cost of sales

Cost of sales decreased by RMB1.6 million, or 1.3%, from RMB120.3 million for the year ended 31 December 2023 to RMB118.7 million for the Year, primarily because the power generation volume in the PRC decreased by 90,201 MWh, or 30.2% from 298,718 MWh for the year ended 31 December 2023 to 208,517 MWh for the Year.

Gross profit

Gross profit decreased by RMB77.1 million, or 65.2%, from RMB118.2 million for the year ended 31 December 2023 to RMB41.1 million for the Year.

Other income

Other income decreased by RMB4.1 million, or 46.6%, from RMB8.8 million for the year ended 31 December 2023 to RMB4.7 million for the Year, primarily due to a bank interest income decreased by RMB3.7 million, or 90.2% from RMB4.1 million for the year ended 31 December 2023 to RMB0.4 million for the Year.

Other gains and losses, net

Other gains and losses recorded a net loss decreased by RMB89.6 million, or 54.0%, from RMB165.8 million for the year ended 31 December 2023 to RMB76.2 million for the Year, which was primarily due to (i) an impairment loss on intangible assets decreased by RMB50 million, or 83.1% from RMB60.2 million for the year ended 31 December 2023 to RMB10.2 million for the Year, (ii) a loss on disposal of subsidiaries of RMB28.6 million recorded for the year ended 31 December 2023, while there was no such loss recorded for the Year, and (iii) a decrease in a net foreign exchange loss by RMB18.9 million, or 19.3% from RMB98.1 million for the year ended 31 December 2023 to RMB79.2 million for the Year was recorded.

Impairment losses under expected credit loss model, net of reversal

An impairment loss under expected credit loss model recorded RMB32.2 million for the Year, while a net of reversal of impairment loss under expected credit loss model recorded RMB47.3 million for the year ended 31 December 2023, primarily due to (i) a loss allowance recognised on other receivables of RMB43.1 million was recorded for the Year, while a loss allowance reversed on other receivables of RMB18.1 million was recorded for the year ended 31 December 2023, and (ii) a loss allowance reversed on amounts due from the related parties and a non-controlling shareholder decreased by RMB13.8 million, or 45.8% from RMB30.1 million for the year ended 31 December 2023 to RMB16.3 million for the Year.

Administrative expenses

Administrative expenses decreased by RMB18.4 million, or 23.4%, from RMB78.6 million for the year ended 31 December 2023 to RMB60.2 million for the Year.

Share of profits of associates

Share of profits of associates decreased by RMB0.2 million or 11.1%, from RMB1.8 million for the year ended 31 December 2023 to RMB1.6 million for the Year.

Finance costs

Finance costs decreased by RMB80.2 million, or 20.1%, from RMB398.2 million for the year ended 31 December 2023 to RMB318.0 million for the Year, primarily due to the decrease in interest on bank and other borrowings by RMB61.6 million, or 26.0%, from RMB236.7 million for the year ended 31 December 2023 to RMB175.1 million for the Year.

Loss before tax

Due to the above reasons, loss before tax decreased by RMB27.1 million, from a loss of RMB466.4 million for the year ended 31 December 2023 to a loss of RMB439.3 million for the Year.

Income tax expense

Income tax expense decreased by RMB3.6 million, from RMB4.6 million for the year ended 31 December 2023 to RMB1.0 million for the Year.

Loss for the Year

As a result of the reasons stated above, the loss for the year decreased by RMB30.7 million, or 6.5%, from the loss of RMB471.0 million for the year ended 31 December 2023 to the loss of RMB440.3 million for the Year.

Trade receivables turnover days

The trade receivables turnover days as at 31 December 2024 was 1,814.9 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 31 December 2024 was 38.0 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 Year.

Indebtedness, liquidity, gearing ratio and capital structure

The Group's principal sources of working capital included cash flow from operating activities, bank and other borrowings. As at 31 December 2024, the Group's current ratio (current assets divided by current liabilities) was 0.43 (31 December 2023: 0.53).

As at 31 December 2024, the Group was in a negative net cash position of RMB3,608.6 million (31 December 2023: a negative net cash position of RMB3,444.6 million), which included cash and cash equivalents of RMB13.1 million (31 December 2023: RMB97.4 million), bank and other borrowings of RMB1,627.5 million (31 December 2023: RMB1,608.6 million), convertible bonds of RMB114.0 million (31 December 2023: RMB264.0 million), bond payables of RMB585.4 million (31 December 2023: RMB585.4 million), loan from a related company of RMB678.8 million (31 December 2023: RMB664.2 million) and bond payable to a related company of RMB616.0 million (31 December 2023: 419.8 million).

The Group's bank and other borrowings, cash and bank balances and restricted bank deposits were mainly denominated in RMB and HKD. The Group's net debt to equity ratio (net debt divided by shareholders' equity) increased from -161.0% as at 31 December 2023 to -121.2% as at 31 December 2024.

During the Year, the Group did not enter into any financial instrument for hedging purposes nor did the Group have any currency borrowings and other hedging instruments to hedge against foreign exchange risks (31 December 2023: Nil).

Contingent liabilities, guarantees and major litigation

As at 31 December 2024, the Group did not provide guarantees to independent third parties and related parties (31 December 2023: Nil).

On 10 June 2022, a 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 pay the principal amount of RMB142,000,000 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 and Tongwei have been put under the Second Freezing Order. As at 31 December 2024, the total principal amount of the 2016 Corporate Bond of RMB255,463,000 (2023: RMB255,463,000) and accrued bond interests of RMB120,978,000 (2023: RMB101,253,000) were recognised in bond payables 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 RMB142,000,000 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 announcement, the above proceedings have not been completed in the High People's Court of Jiangsu Province.

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 Final Sale and Purchase Agreements entered into among the Purchaser, the Vendor, 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, 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 Year, 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 well as other court documents, including but not limited to witness statement and timetable questionnaire. Both the Company and the plaintiff stated their own intention to settle this case by mediation, a case management conference hearing is fixed for 29 May 2025. Except for the above, as of the date of this announcement, there is no further update.

Charges on the Group's assets

At the end of the reporting period, save for restricted bank deposits and the right-of-use assets, the Group had pledged its 100% equity interest in Shunfeng Photovoltaic Holdings Limited (31 December 2023: 100% 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 31 December 2024, the Group had pledged certain trade and other receivables with a carrying amount of RMB939.9 million (31 December 2023: RMB865.7 million) and solar power plants with a carrying amount of RMB950.5 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 31 December 2024, the Group had pledged right-of-use assets and other deposits included in other non-current assets with a carrying amount of RMB13.5 million (31 December 2023: RMB13.5 million).

As at 31 December 2024, the Group pledged restricted bank deposits in an aggregate amount of approximately RMB5.7 million (31 December 2023: RMB6.4 million) to banks to secure banking credit facilities granted to the Group.

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

Exposure to the fluctuation in exchange rates

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

Significant investments held and material acquisitions or disposals

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

Human resources

As at 31 December 2024, the Group had 72 employees. The remuneration packages for the existing employees include basic salaries, discretionary bonuses and social security contributions. Pay levels of the employees are commensurate with their responsibilities, performance and contribution.

Final dividend

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

Events subsequent to the Year

References are made to the Company's announcements dated 13 February 2025 and 19 February 2025, a winding-up Petition against the Company dated 13 February 2025 was filed by the creditor of the other borrowings at the High Court of the Hong Kong Special Administrative Region in connection with the financial obligation of the Company of the outstanding overdue principal amount and accrued interest in aggregate of HK\$289.1 million. The Company will negotiate with the Petitioner about a practicable settlement plan, and will further seek legal advice and take all necessary actions to protect its legal rights. In view of the impact of the Petition on the transfer of shares, the Company intends to make an application to the High Court for a validation order. Shareholders are reminded that there is no guarantee that the validation order would be granted by the High Court. In the event that a validation order is not granted but the winding up order (if any) is not dismissed or permanently stayed, all transfers of Shares, made after the commencement of the winding-up, shall be void.

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 for the Year.

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 Year.

REVIEW OF AUDITED ANNUAL RESULTS

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

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, Zhonghui Anda CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year as approved by the Board on 27 March 2025. The work performed by Zhonghui Anda CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or no assurance has been expressed by Zhonghui Anda CPA Limited on this announcement.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

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

“DISCLAIMER OF OPINION

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

BASIS FOR DISCLAIMER OF OPINION

As discussed in note 2.1 to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared, the Group incurred loss of RMB440,269,000 and RMB471,040,000 respectively for two consecutive years ended 31 December 2024 and 2023, and the Group had net current liabilities of RMB2,587,807,000 and net liabilities of RMB1,908,577,000 as at 31 December 2024. As at 31 December 2024, the Group had bank and other borrowings, convertible bonds and bond payables totalling RMB1,882,679,000 repayable within one year or on demand. Out of which, as at 31 December 2024, the Group had overdue bank and other borrowings and bond payables of approximately RMB908,316,000 and RMB585,372,000, respectively.

Further, two bondholders of the 2015 Corporate Bond (as defined in note 37 to the consolidated financial statements) initiated an arbitration with the Group through the Shanghai Arbitration Commission for the settlement of the outstanding principal and accrued bond interests in arrears. A First Freezing Order was issued by the Changzhou Intermediate People’s Court of Jiangsu Province (the “Court”) upon the application by the two bondholders of the 2015 Corporate Bond and accordingly, the equity interests of four subsidiaries have been put under the First Freezing Order. As at 31 December 2024, the total principal amount of RMB329,909,000 (2023: RMB329,909,000) and accrued bond interests of RMB145,817,000 (2023: RMB120,014,000) were recognised in bond payables and other payables, respectively. In May 2024, the Shanghai Arbitration Commission issued a Judgment requiring Shunfeng Photovoltaic Investment (China) Company Limited (順風光電投資(中國)有限公司) (“Shunfeng Photovoltaic Investments”) to repay the principal of the 2015 Corporate Bond of approximately RMB329,909,000 and the corresponding interest to the Creditor. Due to the failure to fulfill the relevant repayment obligations as per Judgment, the two bondholders of the 2015 Corporate Bond applied for the enforcement regarding to the outstanding liabilities to the Court and the Court issued an enforcement notice in September 2024.

A Second Freezing Order was issued by the Changzhou Intermediate People’s Court of Jiangsu Province upon a Creditor of a bondholder of the 2016 Corporate Bond (as defined in note 37 to the consolidated financial statements) filed a petition with the Changzhou Intermediate People’s Court of Jiangsu Province requesting Shunfeng Photovoltaic Investment to settle the principal amount of RMB142,000,000 of the 2016 Corporate Bond and interests of the 2016 Corporate Bond to the Creditors. Certain interests of subsidiaries of the Group have been put under the Second Freezing Order. As at 31 December 2024, the total principal amount of the 2016 Corporate Bond of RMB255,463,000 (2023: RMB255,463,000) and accrued bond interests of RMB120,978,000 (2023: RMB101,253,000) were recognised in bond payables and other payables, respectively. In April 2023, the Court issued a judgment requiring Shunfeng Photovoltaic Investment to settle the principal of the 2016 Corporate Bond of RMB142,000,000 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 announcement, the above proceedings have not been completed in the High People’s Court of Jiangsu Province.

Lastly, a winding-up Petition against the Company dated 13 February 2025 was filed by the creditor of the other borrowings at the High Court of the Hong Kong Special Administrative Region in connection with the financial obligation of the Company of the outstanding overdue principal amount and accrued interest of HK\$289.1 million in aggregate. As at 31 December 2024, the total principal amount of RMB159,621,000 (2023: RMB156,393,000) and accrued interests of RMB116,657,000 (2023: RMB99,208,000) was recognised in bank and other borrowings and other payables respectively.

However, the Group maintained cash and cash equivalents of approximately RMB13,077,000 as at 31 December 2024 only.

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

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

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

SUFFICIENCY OF PUBLIC FLOAT

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

PUBLICATION OF AUDITED ANNUAL RESULTS AND ANNUAL REPORT

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

DEFINITIONS

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

“Audit Committee”	the audit committee of the Board
“Board”	the board of director(s) of the Company
“Company”	Shunfeng International Clean Energy Limited
“Corporate Governance Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Directors(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKD” or “HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Jiangxi Shunfeng”	Jiangxi Shunfeng Photovoltaic Investment Co., Ltd.* (江西順風光電投資有限公司), a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules

“MW”	megawatt, which equals one million watts
“MWh”	megawatt hour
“PRC” or “China”	the People’s Republic of China
“PV”	photovoltaic
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Shunfeng Photovoltaic Investments”	Shunfeng Photovoltaic Investments (China) Company Limited* (順風光電投資(中國)有限公司), a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“we”, “our” or “us”	the Company or the Group (as the context requires)
“Year”	twelve months ended 31 December 2024

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

Hong Kong, 28 March 2025

As at the date of this announcement, the executive Directors are Mr. Wang Yu and Mr. Qiu Bo; and the independent non-executive Directors are Mr. Zhao Yuwen, Mr. Kwong Wai Sun Wilson and Ms. Tse Wan Joyce.

* *For identification purpose only*