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京能集团

北京能源國際控股有限公司

Beijing Energy International Holding Co., Ltd.

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The board of directors (the "**Board**" or the "**Directors**") of Beijing Energy International Holding Co., Ltd. (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2022 (the "**Year**"), together with the comparative audited figures for the corresponding period in 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Diversification of Investment Locations and Portfolios

During the Year, the Group, striving to be a leading global eco-development solutions provider, was principally engaged in the development, investment, operation and management of power plants and other clean energy projects.

Power Plant Projects

Starting from 2021, the Group has accelerated the pace of scale expansion development of clean energy by actively expanding the management scale of the solar power and wind power businesses through self-development and mergers and acquisitions, as well as continuously improving the management of its clean energy power business. As at 31 December 2022, the Group had 105 (31 December 2021: 97) solar power plants and 20 (31 December 2021: 7) wind power plants with aggregate grid-connected installed capacity of approximately 5,603.44 megawatts ("**MW**") (31 December 2021: approximately 4,168.02MW). As at 31 December 2022, except for one wind power plant located in Vietnam, the rest of the power plants of the Group were located in the People's Republic of China ("**PRC**"). The Group has well-diversified its solar and wind power plants in the PRC in 23 (31 December 2021: 21) different provinces during the Year. In addition, as at 31 December 2022, the Group also held 2 (31 December 2021: 2) solar power plants and 1 (31 December 2021: Nil) wind power plant through its associates with a total grid-connected installed capacity of approximately 223.80MW.

The Group strategically develops, constructs and acquires power plants to achieve predetermined minimal rate of return and selects its power plants based on a combination of factors, including solar irradiation of the site, wind velocity of the site, applicable feed-in tariffs ("**FITs**"), government subsidies, conditions for local grid connection, electricity transmission infrastructure and demand for electricity, etc.

Other Clean Energy Projects

The Group owned development rights mainly in hydropower with an expected capacity of over 5 gigawatts ("**GW**"). The Company indirectly holds 75% of the equity interest in the project companies while the remaining 25% is indirectly held by the People's Government of Tibet Autonomous Region. The Group is waiting for the planning of the PRC government's ecological red line before the construction of any hydropower plants.

In the short run, the Group will focus on the development of solar and wind power businesses, while diversifying its clean energy portfolios in order to supplement the multi-type energy supply in the long run.

Electricity Generation

During the Year, the total electricity volume generated by the power plants held by the subsidiaries of the Company has significantly increased from approximately 3,879,751 megawatt hours ("**MWh**") for the year ended 31 December 2021 to approximately 7,141,204MWh, or by approximately 84%. All these power plants are grid-connected and are generating electricity steadily.

Table 1: Summary of Power Plants

	Year ended 31 December							
	2022				2021			
	Number of power plants	**Grid-connected installed capacity** ***(MW)***	**Electricity generation volume** ***(MWh)***	**Weighted average utilisation hours** ***(Hours)***	Number of power plants	Grid-connected installed capacity *(MW)*	Electricity generation volume *(MWh)*	Weighted average utilisation hours *(Hours)*
Subsidiaries								
Solar power plants	**105**	**4,842.44**	**5,974,027**	**1,353**	97	3,841.72	3,797,021	1,404
Wind power plants	**20**	**761.00**	**1,167,177**	**2,560**	7	326.30	82,730	N/A(1)
	125	**5,603.44**	**7,141,204**		104	4,168.02	3,879,751	
Associates								
Solar power plants	**2**	**23.80**	**31,858**	**1,339**	2	23.80	30,732	1,291
Wind power plant	**1**	**200.00**	**55,520**	**N/A(1)**	—	—	—	N/A
	3	**223.80**	**87,378**		2	23.80	30,732	
Total	**128**	**5,827.24**	**7,228,582**		106	4,191.82	3,910,483	

Note:

(1) Since the electricity volume generated by the newly acquired wind power plants was only recorded starting from their respective completion dates of acquisition, and the period was less than one month, the weighted average utilisation hours were not comparable and therefore not applicable.

The details of the electricity volume generated from each province for the Year are set out below. For accounting purpose, the volume of electricity generated by the newly acquired or constructed power plants during the Year was only recorded starting from their respective completion dates of acquisition or construction, as the case may be.

Table 2: Information of Power Plants by Settlement Types

		As at 31 December 2022			Year ended 31 December 2022		
Settlement types	Locations	Number of solar power plants	Number of wind power plants	Grid-connected installed capacity *(MW)*	Electricity generation volume *(MWh)*	Revenue *(RMB'million)*	Average tariff per kWh (net of VAT) *(RMB)*
I. Power plants held by the subsidiaries of the Company							
(i) Total capacity on-grid[(1)]							
	Hebei, China	16	—	1,278.35	1,465,937	499	0.34
	Inner Mongolia, China	24	—	805.00	1,086,544	732	0.67
	Shanxi, China	2	8	616.30	1,010,187	493	0.49
	Xinjiang, China	6	2	419.50	753,884	363	0.48
	Anhui, China	3	—	357.86	235,164	123	0.52
	Shaanxi, China	1	—	300.00	487,950	327	0.67
	Qinghai, China	4	1	240.00	345,220	266	0.77
	Ningxia, China	2	—	220.00	306,253	237	0.77
	Shandong, China	6	—	194.91	200,902	119	0.59
	Guangdong, China	3	—	190.00	216,273	167	0.77
	Hunan, China	2	—	120.00	123,919	101	0.81
	Tibet, China	6	—	115.00	150,561	133	0.88
	Gansu, China	1	—	100.00	147,895	116	0.78
	Hubei, China	1	—	100.00	117,659	105	0.89
	Guangxi, China	2	—	79.20	84,858	71	0.84
	Henan, China	3	3	74.29	10,403	9	0.87
	Zhejiang, China	2	—	61.30	57,622	47	0.82
	Jiangxi, China	1	—	59.95	28,931	14	0.48
	Yunnan, China	2	—	54.21	82,432	60	0.73
	Sichuan, China	2	—	50.00	88,254	58	0.66
	Heilongjiang, China	—	5	45.00	57,496	17	0.30
	Jilin, China	1	—	15.00	23,930	16	0.65
	Vietnam	—	1	46.20	—	—	—
	Sub-total	90	20	5,542.07	7,082,274	4,073	0.58

Settlement types	Locations	As at 31 December 2022 Number of solar power plants	Number of wind power plants	Grid-connected installed capacity *(MW)*	Year ended 31 December 2022 Electricity generation volume *(MWh)*	Revenue *(RMB'million)*	Average tariff per kWh (net of VAT) *(RMB)*
(ii) Surplus capacity on-grid[1]							
	China (no partition)	15	–	61.37	58,930	42	0.72
	Sub-total	15	–	61.37	58,930	42	0.72
	Total	105	20	5,603.44	7,141,204	4,115	0.58
II. Power plants held by the associates of the Company							
	Shanxi, China	—	1	200.00	55,520	12	0.22
	Jiangsu, China	2	—	23.80	31,858	68	2.12
	Total	2	1	223.80	87,378	80	0.91
Grand Total		107	21	5,827.24	7,228,582	4,195	0.58

Note:

(1) The total capacity on-grid mode refers to the settlement of all electricity volume generated by a power plant with the grid; while the surplus capacity on-grid mode means that a portion of the electricity volume generated by a power plant is sold directly to the end-users and the surplus electricity is settled with the grid.

Financing

The power generation business is capital intensive in nature. The Group has been exploring various financing channels to enhance its financing capability and reduce its finance costs. As at 31 December 2022, the effective interest rate per annum for bank and other borrowings was approximately 4.18% (31 December 2021: approximately 4.40%).

On 29 June 2021, the Company has successfully issued three-year convertible bonds in the principal amount of US$50 million (equivalent to approximately RMB320 million) due 2024 to high-quality institutional investors, which marks the affirmation from international capital market and confidence on the Company's future development. The convertible bonds bear coupon rate of 3.8% per annum and are convertible into shares of the Company (the "**Shares**") at a conversion price of HK$0.33 per Share, which has been reset to HK$0.30 per Share with effect from 29 June 2022. The net proceeds from the issue of the convertible bonds amounted to approximately US$49 million (equivalent to approximately RMB316 million), among which approximately US$40.5 million is intended to be used for repayment of offshore debts, approximately US$2 million is intended to be used for offshore projects and approximately US$6.5 million is intended to be used as general working capital. During the Year, approximately US$2.5 million, approximately US$2 million and approximately US$3.5 million of the net proceeds had been utilised for repayment of offshore debt, offshore projects and general working capital, respectively, which were used according to the intentions previously disclosed by the Company. As at 31 December 2022, the net proceeds had been fully utilised according to the intentions previously disclosed.

On 22 December 2022, a capital increase agreement was entered into between the Company, three subsidiaries of the Company, namely BEI Energy Development (Beijing) Co., Ltd.* (京能國際能源發展（北京）有限公司) ("**BEIED**"), Beijing Energy International Investment Limited (北京能源國際投資有限公司) and Silk Road New Energy (Changzhou) Co., Ltd.* (絲綢之路新能源（常州）有限公司) with ABC Financial Asset Investment Co., Ltd.* (農銀金融資產投資有限公司) ("**ABC Investment**") in relation to the injection of RMB1,000 million into BEIED by way of capital contribution in return for approximately 42.01% of the enlarged equity interest in BEIED (the "**Capital Increase**"). The transaction was completed in December 2022. The Capital Increase not only was structured for the purpose of financing where the Company would obtain funding from ABC Investment, but also would enable BEIED to raise funds to repay its debts and reduce the reliance of BEIED on the financial support from the Group.

FINANCIAL REVIEW

During the Year, the Group recorded a net profit of approximately RMB472 million (31 December 2021: approximately RMB650 million).

Revenue and EBITDA

During the Year, the revenue and EBITDA were approximately RMB4,115 million and RMB3,500 million, respectively (31 December 2021: approximately RMB2,825 million and RMB2,397 million, respectively). The increase in revenue and EBITDA of the Group was attributable to: (i) the expansion in grid-connected installed capacity from approximately 4,168.02MW to approximately 5,603.44MW or around 34.4% by way of acquisition and self-development of projects; and (ii) effective operation and management of power plants.

The decrease in net profit during the Year was mainly due to decrease in bargain purchase gains arising from business combinations and increase in finance costs.

The average tariff per kilowatt-hour ("**kWh**") (net of VAT) for the Year was approximately RMB0.58 (31 December 2021: approximately RMB0.73). The decrease in the average tariff per kWh (net of VAT) of the Company was mainly due to the continuous increase in the grid-connected installed capacity of the affordable photovoltaic power generation projects newly put into operation by the Group, and the substantial increase in power generation. Since the electricity price of the affordable photovoltaic power generation projects does not include subsidies, a downward trend in the overall average tariff per kWh (net of VAT) is resulted. Table 2 summarises the details of the breakdown of revenue generated by settlement types and locations.

Finance Costs

The total finance costs increased from approximately RMB1,110 million for the year ended 31 December 2021 to RMB1,514 million during the Year, or a rise of approximately 36.4%, which was mainly attributable to the increase in the average amount of bank and other borrowings. The Group would continue to take various financing or re-financing activities to control certain finance costs.

Income Tax

During the Year, the Group's operations in the PRC are subject to the corporate income tax of the PRC (the "**PRC Corporate Income Tax**"). The statutory PRC Corporate Income Tax rate is 25%. Certain subsidiaries of renewable energy projects are entitled to preferential tax concession. Income tax on profits assessable outside the PRC has been provided at rates prevailing in the respective jurisdictions (31 December 2021: Same).

Impairment Charge on Property, Plant and Equipment

As at 31 December 2022, the Group had 105 (31 December 2021: 97) solar power plants and 20 (31 December 2021: 7) wind power plants with aggregated grid-connected installed capacity of approximately 5,603.44MW (31 December 2021: approximately 4,168.02MW). During the Year, there was no substantial change in the operating conditions for most of the Group's power plants and there was no indication for further impairment as compared to 2021. Therefore, no further impairment test was required for the Year.

During the Year, the Group did not recognise any impairment charge on property, plant and equipment (31 December 2021: approximately RMB7 million, which was mainly for construction-in-progress of abandoned projects).

Impairment Charge on Financial Assets

Management of the Company ("**Management**") performed impairment assessment on tariff adjustment receivables and recognised an impairment charge of approximately RMB25 million for the Year (31 December 2021: impairment charge on other receivables of approximately RMB65 million).

Trade, Bills and Tariff Adjustment Receivables

The trade and bills receivables will usually be settled within one to six months. For the tariff adjustment receivables represent government subsidies on renewable energy will be settled in accordance with prevailing government policies and prevalent payment pattern of the Ministry of Finance.

Table 3: Breakdown of Trade, Bills and Tariff Adjustment Receivables

	31 December 2022		31 December 2021	
	Grid-connected installed capacity ***(MW)***	***RMB'million***	Grid-connected installed capacity *(MW)*	*RMB'million*
Trade and bills receivables		**352**		265
Tariff adjustment receivables				
PRC				
Tariff Subsidy Project List	**3,037.14**	**7,060**	2,680.47	6,882
Others *(Note)*	**2,566.30**	**909**	1,487.55	405
Total	**5,603.44**	**8,321**	4,168.02	7,552

Note: Mainly representing the power plants to be enlisted in the Tariff Subsidy Project List.

The problem of increasing amount of outstanding renewable energy subsidies affects the future development of the renewable energy industry in the PRC. In order to address this issue, in March 2022, the National Development and Reform Commission, the Ministry of Finance and the National Energy Administration issued a joint notice on a national self-examination of the renewable energy projects, focusing on the compliance, scale of installed capacity, volume of electricity generated, FITs, renewable energy subsidies and environmental protection, so as to ascertain the latest factual situation of the outstanding amount of the renewable energy subsidies. The PRC government may cancel the renewable energy subsidies for non-compliant renewable energy projects, thereby reducing the overall financial pressure of the accrued outstanding amount. During the Year, a solar power plant of the Group located in Inner Mongolia was alleged for certain non-compliance issues and the local authorities demanded for a compensation of approximately RMB216 million. The Management considered that the allegation is invalid and without reasonable grounds. In March 2023, the local authorities have agreed with the request of the Management for a further review and the final decision will be announced soon. Accordingly, the Management has made a provision for compensation loss and impairment charge on tariff adjustment receivables of approximately RMB35 million and RMB25 million for the Year, respectively.

On 6 January 2023, the "Announcement on the Public Announcement of the First Batch of Compliance Projects of Renewable Energy Power Generation Subsidy" (《關於公佈第一批可再生能源發電補貼合規項目清單的公告》) (the "**First Qualified Project List**") was issued. The number of the first batch of verified and confirmed compliance projects exceeded 6,800, among which solar and wind power projects accounted for 87%, including 40 projects with capacity of 1,739MW under the Group's FITs regime, representing 45% of the approved capacity of the Group's projects under the FITs regime. For the remaining 55% projects which are still in the progress of compliance review, the Group has performed an assessment on the compliance with the prevailing rules and regulations, and there is no significant compliance issue being identified.

During the Year, the Group received tariff adjustment subsidies of about RMB1,771 million. The Group expected that new development on the national policy on the outstanding amount of the renewable energy subsidies will be announced, and this development is expected to improve the outstanding situation of subsidies to be received by the Group.

Bank and Other Borrowings

The Group is actively seeking opportunities of financing/re-financing to lower the cost of funds and to improve liquidity.

As at 31 December 2022, the maturity and currency profile of the Group's bank and other borrowings are set out as follows:

	Within 1 year *RMB'million*	2nd year *RMB'million*	3–5 years *RMB'million*	6–10 years *RMB'million*	Over 10 years *RMB'million*	Total *RMB'million*
RMB	9,223	9,048	11,222	6,376	1,404	37,273
US$	5,010	1,672	—	—	—	6,682
	14,233	10,720	11,222	6,376	1,404	43,955
Less: Unamortised loan facilities fees	(28)	(27)	(56)	(53)	(1)	(165)
Carrying amount	14,205	10,693	11,166	6,323	1,403	43,790

Key Performance Indicators

The Group measures the delivery of its strategies and manages its business through regular measurements of several key performance indicators, particularly on the following ratios: EBITDA margin, debt to EBITDA ratio, funds from operations to net debt ratio and interest coverage ratio. The changes in the key performance indicators for the Year were mainly attributable to the expansion of the Group's business scale.

EBITDA Margin: EBITDA margin is a measurement of the Group's operating profitability and is calculated as EBITDA divided by the revenue. The Group's EBITDA margin has remained the same at approximately 85% for the years ended 31 December 2022 and 2021. This was mainly due to the steady business operation of power generation during the Year.

Debt to EBITDA Ratio: Debt to EBITDA ratio is a measurement of the number of years that will take the Group to repay its debts assuming net debts and EBITDA are held constant. This ratio is calculated as the net debts divided by EBITDA. Net debts is calculated as total borrowings less cash deposits. Total borrowings include current and non-current bank and other borrowings and convertible bonds as shown in the consolidated statement of financial position. The ratio has decreased during the Year to approximately 10.3 (31 December 2021: approximately 11.1).

Funds from Operations to Net Debt Ratio: Funds from operations to net debt ratio is a measurement of the Group's ability to pay its debts using its operating income alone. This ratio is calculated as the EBITDA net of cash interest paid divided by net debts. The ratio has increased from approximately 5.7% for the year ended 31 December 2021 to approximately 5.8% for the Year.

Interest Coverage Ratio: Interest coverage ratio measures the Group's ability to pay interest on its interest-bearing debt. The ratio is calculated as EBITDA divided by net interest paid (actual interest paid minus actual interest income received during the Year). The ratio was approximately 2.49 for the Year (31 December 2021: approximately 2.74).

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

As at 31 December 2022, the Group recorded current assets of approximately RMB18,865 million and current liabilities of approximately RMB18,610 million.

The Group has established a treasury policy with the objective of lowering cost of funds. Therefore, funding for all its operations have been centrally reviewed and monitored at group level. To manage the Group's exposure to fluctuations in interest rates on each power plant project, appropriate funding policies will be applied including the use of bank and other borrowings, issue of convertible bonds, issue of senior notes, medium-term notes and corporate bonds or issue of new shares. Management will continue its efforts in obtaining the most privileged rates and favourable terms to the Group for its financing.

The Group monitors its capital structure based on the gearing ratio. This ratio is calculated as net debts divided by total capital. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debts.

The capital structure (including its gearing ratio) as at 31 December 2022 was as follows:

	31 December 2022 *RMB'million*	31 December 2021 *RMB'million*
Bank and other borrowings	**43,790**	32,039
Convertible bonds	**355**	346
Total borrowings and convertible bonds	**44,145**	32,385
Less: Cash deposits	**(8,023)**	(5,844)
Net debts	**36,122**	26,541
Total equity	**10,183**	9,284
Total capital	**46,305**	35,825
Gearing ratio	**78.0%**	74.1%

Except for the US$50 million convertible bonds and certain bank and other borrowings with aggregate amounts of approximately RMB12,265 million which were carried at fixed rates, the remaining borrowings of the Group bore floating interest rates.

During the Year, the increase in gearing ratio was mainly attributable to the increase in bank and other borrowings obtained by the Group for the construction of power plants, which resulted in a corresponding increase in net debts. The Group will use its best endeavour to lower its gearing ratio in the future by deleveraging its liabilities, including but not limited to co-investing in power plants with strategic business partners to reduce the capital expenditure.

As at 31 December 2022, the cash deposits were denominated in the following currencies:

	Pledged deposits *RMB'million*	Restricted cash *RMB'million*	Cash and cash equivalents *RMB'million*	Total *RMB'million*
RMB	2,574	10	3,448	6,032
HK$	—	—	152	152
US$	202	—	1,452	1,654
GBP	—	—	1	1
AUD	—	—	183	183
VND	—	—	1	1
	2,776	10	5,237	8,023
Representing:				
Non-current portion	947	—	—	947
Current portion	1,829	10	5,237	7,076
	2,776	10	5,237	8,023

The Group did not have any financial instruments for hedging purposes.

As at 31 December 2022, the Group had capital commitment in respect of property, plant and equipment amounted to approximately RMB3,975 million.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Year, the Group had the following material acquisitions and disposals:

(a) In March 2022, BEIED entered into equity transfer agreements with an independent third party to purchase the equity interests in each of Shuozhou City Pinglu District Honggou Wind Energy Co., Ltd.* (朔州市平魯區紅溝風電有限公司) ("**Shuozhou Wind Energy**"), Xiyang County Sineng New Energy Co., Ltd.* (昔陽縣斯能新能源有限公司) ("**Xiyang New Energy**"), Xiyang County Sineng Wind Energy Co., Ltd.* (昔陽縣斯能風電有限公司) ("**Xiyang Wind Energy**") and Youyu County Sineng Wind Energy Co., Ltd.* (右玉縣斯能風電有限公司) ("**Youyu Wind Energy**") for a total consideration of approximately RMB1,448 million. Each of Shuozhou Wind Energy, Xiyang New Energy, Xiyang Wind Energy and Youyu Wind Energy is a company established in the PRC with limited liability and principally engaged in the operation, maintenance and management of new energy power plants in the PRC. Shuozhou Wind Energy is operating a wind power plant with grid-connected installed capacity of 100MW, Xiyang New Energy is operating a wind power plant with grid-connected installed capacity of 200MW, Xiyang Wind Energy is operating three wind power plants with grid-connected installed capacity of 10MW each and Youyu Wind Energy is operating a wind power plant with grid-connected installed capacity of 99.5MW. The acquisitions were completed in July 2022. Please refer to the Company's circular dated 13 June 2022 for details.

(b) In December 2022, BEIED entered into a conditional sale and purchase agreement with an independent third party to purchase the entire equity interest of Fengtai County Shengyang New Energy Power Generation Co., Ltd.* (鳳台縣晟陽新能源發電有限公司) ("**Fengtai Shengyang**") for a consideration of approximately RMB412 million. Fengtai Shengyang is a company established in the PRC and principally engaged in the operation, maintenance and management of a solar power plant with grid-connected installed capacity of 150MW in the PRC. The acquisition was completed in December 2022. Please refer to the Company's announcement dated 12 December 2022 for details.

(c) In December 2022, JN Viet Nam Renewable Energy Company Limited, a wholly-owned subsidiary of the Company in Vietnam, entered into a conditional sale and purchase agreement with independent third parties to purchase the entire equity interest of Cuu An Wind Power Joint Stock Company ("**Cuu An JSC**") for an adjusted cash consideration of approximately VND729,010.7 million (equivalent to approximately RMB215 million) and contingent consideration of approximately VND71,749.5 million (equivalent to approximately RMB21 million). Cuu An JSC is a company is established in Vietnam and principally engaged in the operation, maintenance and management of a wind power plant with grid-connected installed capacity of 46.2MW in Vietnam. The acquisition was completed in December 2022. Please refer to the Company's announcement dated 14 December 2022 for details.

(d) During the Year, the Group had also completed acquisitions of certain subsidiaries in the PRC with aggregate grid-connected installed capacity of 306.86MW. None of them is individually material to the Group.

Save as mentioned above, the Group did not have any other material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year.

PERFORMANCE AND FUTURE PROSPECTS FOR SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2022, the Group had no significant investment. The Group will keep abreast of the changing market conditions and proactively identify suitable investment opportunities with good prospects to enhance its future financial performance and profitability.

MATERIAL RELIANCE ON KEY CUSTOMERS

The key customers in the PRC for the sales of electricity were subsidiaries of the State Grid Corporation of China ("**State Grid**") and Inner Mongolia Power (Group) Co., Ltd. ("**Inner Mongolia Power**"), which are PRC state-owned electric utility companies that transmit and distribute power in the PRC. As at 31 December 2022, the receivables from the subsidiaries of State Grid and Inner Mongolia Power were approximately 73.50% and 25.80% of the total trade, bills and tariff adjustment receivables, respectively.

CHARGE ON ASSETS

As at 31 December 2022, approximately 52% of bank and other borrowings of the Group were secured by the pledge over certain power generating modules and equipment, guarantee deposits, the fee collection rights in relation to the sales of electricity in certain subsidiaries and/or pledge over the shares/equity interests of certain subsidiaries of the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2022, the Group had 1,011 full-time employees (31 December 2021: 752). Employees were remunerated according to the nature of their positions, individual qualification, performance, working experience and market trends, with regular remuneration review to reward and motivate individual performance. The Group offers competitive compensation and benefit packages to different levels of staff, including additional medical insurance, discretionary bonuses, various training programmes, sponsorship for further study, as well as share option scheme for the benefits of the directors and eligible employees of the members of the Group. Total employee benefits expenses (excluding share-based payment expenses) for the Year amounted to approximately RMB351 million (31 December 2021: approximately RMB201 million).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group operates mainly in Mainland China and Hong Kong. For the operations in Mainland China, the transactions are mostly denominated in RMB. Minimal exposure to fluctuation in exchange rates is expected. For the operations in Hong Kong, most of the transactions are denominated in HK$ and US$. Since the exchange rate of US$ against HK$ is pegged to each other under the Linked Exchange Rate System, the exposure to fluctuation in exchange rates will mainly arise from the translation to the presentation currency of the Group. The Group did not resort to any currency hedging facility for the Year. However, Management will enhance the monitoring on the Group's foreign currency exposure, should the need arise.

CONTINGENT LIABILITIES

As at 31 December 2022, the Group had no significant contingent liability.

INFORMATION UPDATE ON THE INCIDENTS

During the year ended 31 December 2020, the Board formed an independent investigation committee which had engaged an external independent professional advisor to conduct an investigation which identified that (1) certain deposits and other payments were made to New Energy Exchange Limited ("**NEX**") and its subsidiaries (collectively, the "**NEX Group**") and its related entities; (2) deposits were made to Shenzhen Zhiyuan Renewable Energy Company Limited ("**SZZY**") of RMB500 million; and (3) certain payments on behalf of NEX Group of approximately RMB303.7 million were made to one of the limited partners of a previous joint venture of the Group. Further details of the investigation, financial impact and responses by the Board are disclosed in the Company's 2019, 2020 and 2021 annual reports and announcements dated 12 May 2020, 13 May 2020, 9 June 2020, 19 July 2020, 31 July 2020, 28 September 2020, 30 March 2021 and 29 March 2022.

Since the year ended 31 December 2019, accumulated impairment charge of approximately RMB1,137 million was recognised in the profit or loss in respect of the matters above.

During the Year, NEX Group transferred (i) equity interests of certain companies operating solar power plants in the PRC with valuation of approximately RMB4 million in total and (ii) cash of RMB22 million to the Group for settlement purpose. The Management considered there is sufficient provision for impairment on the balances due from NEX Group. Accordingly, no expected credit loss was recognised for the year.

Subsequent to the Year, NEX Group transferred cash of RMB6 million to the Group for settlement purpose.

On 28 March 2023, the Group entered into the third revised settlement agreement with NEX Group, which was an extension of (i) the settlement agreement signed on 24 August 2020; (ii) the first revised settlement agreement signed on 29 March 2021; and (iii) the second revised settlement agreement signed on 28 March 2022 (details are set out in the Company's 2019, 2020 and 2021 annual reports respectively).

Pursuant to the third revised settlement agreement, NEX Group agreed to transfer (1) equity interests of certain companies operating solar power plants in the PRC in which the fair value of those equity interests amounted to approximately RMB30 million; and (2) approximately 274 million shares of the Company held by NEX Group amounted to approximately RMB44 million as at 28 March 2022, to the Group for settlement of the net balances due from NEX Group, which are expected to complete on or before 31 December 2023. In addition, NEX Group agreed to pledge approximately 460 million shares (including approximately 274 million shares as mentioned in (2) above) of the Company held by NEX Group as collaterals to the NEX settlements to cover any remaining unsettled balance.

The Company commits to keep its shareholders and the public informed of all material information to appraise the Company's position by way of announcements on the websites of the HKEXnews and the Company, including but not limited to market updates of all material information where applicable.

EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

Except for those disclosed in Note 17 to the consolidated financial statements of this announcement below, the Group did not have any other material events occurred after 31 December 2022 and up to the date of this announcement.

PROSPECTS

The year of 2023 is crucial for China as it is implementing the "14th Five-Year Plan" while moving towards the future and building on the past. It is also a vital year for deepening the reform of the power system and comprehensively promoting the development of the electricity spot market. In addition, the Chinese government has clearly stated its firm commitment to realizing the strategic goals of "carbon peak and carbon neutrality". To this end, it will guarantee a stable energy supply, promote green and low-carbon development, and persist in accelerating the construction of a new power system dominated by new energy to achieve high-quality energy development.

A stable and safe energy supply is key to supporting sustainable and healthy development of the Chinese economy. Ensuring energy resources security is as important as ensuring food safety and securing supply chains for major industries. All these factors are core elements for maintaining the economy security and have direct impacts on national security, sustainable development as well as social stability. As we promote a comprehensive green transformation of economic and social development, we must also insist on ensuring energy security. With the rapid development of new energy sources such as wind and photovoltaic power, coal-fired power will play an essential role in building a new power system and will accelerate its transformation into a basic security and system regulation power source. Its role in guaranteeing power supply will become more prominent, especially in promoting the construction of wind and photovoltaic energy bases, particularly in "Deserts, Gobi and Wilderness". The coordinated construction of new energy and coal-fired power will become an important forthcoming development theme. Energy supply security is not only about safety and efficiency, but also about being clean and low-carbon. Under the backdrop of resource and environmental constraints, accelerating the transformation towards green and low-carbon energy is an urgent mission for the Chinese government to ensure energy security and tackle related problems, which is also an effective way to promote economic structure upgrades and foster new drivers of development. In 2022, the first batch of large-scale wind and photovoltaic power generation bases, with a total capacity of 97.05 million kilowatts, have all commenced construction, while the projects of the second and third batch of bases are being promoted successively. According to forecast data from the National Energy Administration of the PRC, China aims to increase its wind and photovoltaic power generation capacity to reach 160 million kilowatts by 2023, resulting in an aggregated installed capacity of over 900 million kilowatts. This will strongly support the acceleration of the process to realizing the dual carbon goals.

Looking from the perspective of development path, the construction of a new type of power system will eliminate the limitations of the existing energy system and achieve the coordinated and complementary utilization of diverse energy sources. This, in turn, will pave the way for the establishment of several green trading mechanisms, covering various aspects such as power and carbon trading. A consensus has been reached on the construction of a spot trading market for electricity, and the process has been speeding up. To support the sound development of a comprehensive energy system anchored on clean energy, it is essential to formulate a national unified development plan for the electricity market without delay. This plan should clarify the positioning of different market functions and ensure the uniformity of fundamental market systems and regulations.

The Company will actively conduct a mid-term adjustment of the "14th Five-Year Plan" in accordance with China's energy development direction and further refine the "dual-circle, one-center and one-focus" development strategy. Our aim is to achieve a clean energy installed capacity of over 10 million kilowatts by the end of 2023, while mainly taking into account two core issues, namely industry synergy and green energy conversion and consumption. We strive to achieve breakthroughs in terms of both model and path to optimize our organizational management and control structures, achieve a strategic transformation of our operational model, and ultimately embark on a new chapter of development of the Company.

As the year began, the epidemic slowly subsided, and the economy has since stabilized and recovered. Following the start of the new chapter of 2023, China is poised to get back on track. At this brand-new beginning, the Company is well-prepared to seize the moment and to continue forging ahead towards a brilliant future of green development.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

	Note	**2022** **RMB'million**	2021 RMB'million
Sales of electricity		**1,800**	922
Tariff adjustment		**2,315**	1,903
Revenue	*3*	**4,115**	2,825
Other income	*4*	**51**	17
Employee benefits expenses (excluding share-based payment expenses)		**(351)**	(201)
Maintenance costs		**(123)**	(83)
Legal and professional fees		**(35)**	(32)
Tax and surcharges		**(35)**	(27)
Other expenses		**(122)**	(102)
EBITDA#		**3,500**	2,397
Acquisition costs arising from business combinations		**(23)**	(25)
Depreciation of property, plant and equipment		**(1,244)**	(765)
Depreciation of right-of-use assets		**(72)**	(33)
Bargain purchase gains arising from business combinations		**7**	263
Fair value losses on financial assets at fair value through profit or loss	*5*	**(1)**	(3)
Fair value losses on financial liabilities at fair value through profit or loss	*6*	**(22)**	(40)
Finance income	*7*	**38**	129
Finance costs	*8*	**(1,514)**	(1,110)
Impairment charge on property, plant and equipment		**—**	(7)
Impairment charge on financial assets		**(25)**	(65)
Provision for compensation		**(35)**	—
Share-based payment expenses		**(5)**	—
Share of profits of investments accounted for using equity method		**19**	16
Loss on disposal of subsidiaries		**—**	(6)
Profit before income tax		**623**	751
Income tax expenses	*9*	**(151)**	(101)
PROFIT FOR THE YEAR		**472**	650

	Note	2022 RMB'million	2021 RMB'million
PROFIT ATTRIBUTABLE TO			
Equity holders of the Company		**269**	564
Non-controlling interests		**203**	86
		472	650
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	*11*		
Basic and diluted *(RMB cents)*		**1.20**	2.51

EBITDA represents earnings before depreciation, finance income, finance costs, income tax expenses, fair value adjustments, non-cash items, non-recurring items, bargain purchase gains arising from business combinations, impairment charge on property, plant and equipment, impairment charge on financial assets, provision for compensation, share-based payment expenses, share of profits of investments accounted for using equity method and loss on disposal of subsidiaries. EBITDA is not a measure of performance under Hong Kong Financial Reporting Standards, but is widely used by management for monitoring business performance of a company from operational perspective. It may not be comparable to similar measures presented by the other companies.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	2022	2021
	RMB'million	*RMB'million*
PROFIT FOR THE YEAR	**472**	650
Other comprehensive (loss)/income		
Items that may be reclassified to profit or loss		
Currencies translation differences	**(389)**	81
Other comprehensive (loss)/income for the year, net of tax	**(389)**	81
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**83**	731
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO		
Equity holders of the Company	**(120)**	645
Non-controlling interests	**203**	86
	83	731

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	**2022** **RMB'million**	2021 *RMB'million*
ASSETS			
Non-current assets			
Property, plant and equipment		**32,374**	26,172
Right-of-use assets		**1,680**	1,083
Intangible assets		**1,166**	972
Investments accounted for using equity method		**736**	279
Other receivables, deposits and prepayments		**4,548**	1,038
Pledged deposits		**947**	939
Deferred tax assets		**12**	5
Total non-current assets		**41,463**	30,488
Current assets			
Financial assets at fair value through profit or loss		**34**	39
Trade, bills and tariff adjustment receivables	*12*	**8,296**	7,552
Other receivables, deposits and prepayments		**3,459**	3,175
Pledged deposits		**1,829**	91
Restricted cash		**10**	—
Cash and cash equivalents		**5,237**	4,814
Total current assets		**18,865**	15,671
Total assets		**60,328**	46,159
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	*13*	**1,924**	1,924
Reserves		**4,067**	4,169
		5,991	6,093
Non-controlling interests		**4,192**	3,191
Total equity		**10,183**	9,284

	Note	2022	2021
		RMB'million	*RMB'million*
LIABILITIES			
Non-current liabilities			
Convertible bonds	*14*	**355**	346
Bank and other borrowings	*15*	**29,585**	24,261
Lease liabilities		**1,068**	563
Deferred income		**26**	16
Contingent consideration payables		**19**	—
Deferred tax liabilities		**482**	366
Total non-current liabilities		**31,535**	25,552
Current liabilities			
Other payables and accruals		**4,332**	3,507
Lease liabilities		**71**	38
Contingent consideration payables		**2**	—
Bank and other borrowings	*15*	**14,205**	7,778
Total current liabilities		**18,610**	11,323
Total liabilities		**50,145**	36,875
Total equity and liabilities		**60,328**	46,159

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business in Hong Kong is Unit 1012, 10th Floor, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong. The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Beijing Energy Investment Holding (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and wholly owned by Beijing Energy Holding Co., Ltd.* (北京能源集團有限責任公司) ("**BEH**"), which is a direct controlling shareholder holding approximately 32% of the issued share capital of the Company. BEH is a state-owned company in the PRC indirectly wholly-owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

The Group is principally engaged in the development, investment, operation and management of power plants and other clean energy projects. These consolidated financial statements are presented in RMB and rounded to the nearest million ("**million**"), unless otherwise stated.

2 BASIS OF PREPARATION

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the accounting principles generally accepted in Hong Kong. The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable requirements of the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**").

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss which were carried at fair values. The preparation of these consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Changes in Accounting Policy and Disclosures

(i) Amended HKFRSs that are effective for annual periods beginning on or after 1 January 2022

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on or after 1 January 2022:

Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations

The adoption of these amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

(ii) Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been early adopted by the Group.

Amendments to HKAS 1 and HKFRS Practice Statements 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
HKFRS 17	Insurance Contracts and Related Amendments[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and Related Amendments to Hong Kong Interpretation 5[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2023
2 Effective for annual periods beginning on or after 1 January 2024
3 Effective date not yet determined

Amendments to HKAS 1 and HKFRS Practice Statement 2 "Disclosure of Accounting Policies"

The amendments to HKAS 1 require entities to disclose material accounting policy information instead of significant accounting policies in its financial statements. The amendments also provide some guidance on how material policy information are being identified and provide some examples of when accounting policy information is likely to be material.

In March 2021, HKICPA issued HKFRS Practice Statement 2 "Making Materiality Judgements" to provide entities with non-mandatory guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with HKFRS. HKFRS Practice Statement 2 was subsequently revised to provide guidance and examples on how to apply the concept of materiality to accounting policy disclosures.

The amendments to HKAS 1 are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted. Except for the disclosures of accounting policies in Note 2 to consolidated financial statements may need to be revised to cope with the above changes, the Board expect that the amendments have no other material impact on the consolidated financial statements.

Amendments to HKAS 8 "Definition of Accounting Estimates"

The amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates by introducing a definition for accounting estimates, which is now defined as "monetary amounts in the financial statements that are subject to measurement uncertainty".

Besides, the amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates typically involve the use of judgements or assumptions based on latest available reliable information. A change in accounting estimate that results from new information or new development is not correction of an error. Therefore, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. In addition, two illustrative examples are added to illustrate how to apply the new definition of accounting estimates.

The amendments are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted. The Board expect that the amendments have no material impact on the consolidated financial statements.

*Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current" and related amendments to Hong Kong Interpretation 5 and Amendments to HKAS 1 "Non-current Liabilities with Covenants" ("**2022 Amendments**")*

The amendments provide further guidance to clarify how to classify debt and other liabilities as current or non-current which are summarised as follows:

- It clarifies that a liability is non-current if an entity has a right (instead of unconditional right as stated before the amendments) to defer settlement of the liability for at least twelve months from the end of the reporting period. This right has to be existed at the end of the reporting period, regardless of whether the lender tests for compliance at the date or at a later date;

- Any expectations about events after the reporting period do not impact the assessment made at the end of the reporting period as to the classification of the liability; and

- "Settlements" are newly defined as a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of cash, other economic resources (e.g. goods or services), or entity's own equity instruments. Thus, if the counterparty conversion option is classified as liability under HKAS 32 "Financial Instruments: Presentation", the transfer of equity instruments by exercising the conversion option constitute settlement of liability for the purpose of current or non-current classification of liabilities. One exception to the definition is that if the counterparty conversion option is classified as equity in accordance with HKAS 32, the transfer of equity instruments by exercising the conversion option does not constitute settlement of liability and would be disregarded when determining whether the liability is current or non-current.

2022 Amendments issued in 2022 clarified that only covenants of a liability arising from a loan arrangement, which an entity must comply with on or before the reporting date (even if the covenant is only assessed after the reporting date) affect the classification of that liability as current or non-current. Those covenants to be complied with after the reporting date do not affect the classification of loan arrangements as current or non-current at the reporting date.

Besides, the 2022 Amendments required an entity to provide additional disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The information provided should enable users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period, including:

- the carrying amount of the related liabilities;

- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and

- facts and circumstances, if any, that indicate that an entity may have difficulty complying with covenants. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants based on its circumstances at the end of the reporting period.

The 2022 Amendments also deferred the effective date of the 2020 Amendments to the annual reporting periods beginning on or after 1 January 2024, in which both amendments are to be applied as a package and apply retrospectively. Earlier application is permitted. The Board expect that the amendments have no material impact on the consolidated financial statements.

3 SEGMENT INFORMATION

The Chief Operation Decision-Maker ("**CODM**") has been identified as the Board. Management has determined the operating segments based on the internal reports reviewed by CODM in order to assess performance and allocate resources. The Group's operating segments are structured and managed separately according to the nature of products sold or services provided by different strategic business units and subject to risks and returns that are different from those of the other operating segments. The Board assess the performance of the operating segments based on reporting operating results.

During the Year, CODM has changed its internal performance review to align more closely with the Group's strategic decision and development. The Group's operating segments have been redefined and aggregated in terms of similar economic characteristics and similar nature of products sold or services provided into the following reporting segments.

(a) Solar power business — management and operation of solar power generation projects located in the PRC and overseas; and

(b) Wind power business — management and operation of wind power generation projects located in the PRC and overseas.

Others include corporate income and expenses, other direct investments and others as well as the hydropower segment. As the hydropower segment is still under development stage and has not contributed material revenue, EBITDA, segment results and total assets, CODM does not regard hydropower segment as a reportable segment.

The comparative amounts of the segment information for the year ended 31 December 2021 have been reclassified to reflect the change in the composition of the Group's operating segments.

(a) Business Segments

(i) Segment Revenue and Results, and Segment Assets and Liabilities

	Solar power business *RMB'million*	Wind power business *RMB'million*	Others *RMB'million*	Total *RMB'million*
Year ended 31 December 2022				
Revenue	**3,623**	**492**	**—**	**4,115**
Segment results	**2,237**	**286**	**(403)**	**2,120**
Unallocated other gains and losses				
Bargain purchase gain arising from business combinations				**7**
Acquisition costs arising from business combinations				**(23)**
Finance income				**38**
Finance costs				**(1,514)**
Share-based payment expenses				**(5)**
Profit before income tax				**623**
Income tax expenses				**(151)**
Profit after income tax				**472**
As at 31 December 2022				
Segment assets	**36,795**	**10,660**	**4,546**	**52,001**
Unallocated assets				**8,327**
Total assets				**60,328**
Segment assets including:				
Investments in associates	**131**	**431**	**174**	**736**
Segment liabilities	**22,189**	**6,647**	**17,953**	**46,789**
Unallocated liabilities				**3,356**
Total liabilities				**50,145**

	Solar power business *RMB'million*	Wind power business *RMB'million*	Others *RMB'million*	Total *RMB'million*
Year ended 31 December 2021				
Revenue	2,795	30	—	2,825
Segment results	1,766	13	(285)	1,494
Unallocated other gains and losses				
Bargain purchase gain arising from business combinations				263
Acquisition costs arising from business combinations				(25)
Finance income				129
Finance costs				(1,110)
Share-based payment expenses				—
Profit before income tax				751
Income tax expenses				(101)
Profit after income tax				650
As at 31 December 2021				
Segment assets	32,999	3,273	3,492	39,764
Unallocated assets				6,395
Total assets				46,159
Segment assets including:				
Investments in associates	104	—	175	279
Segment liabilities	17,598	1,671	15,070	34,339
Unallocated liabilities				2,536
Total liabilities				36,875

(ii) Other Segment Information

	Year ended 31 December 2022			
	Solar power business *RMB'million*	**Wind power business** *RMB'million*	**Others** *RMB'million*	**Total** *RMB'million*
Additions to non-current assets (including property, plant and equipment and right-of-use assets)	**2,629**	**442**	**105**	**3,176**
Depreciation for property, plant and equipment	**(1,048)**	**(192)**	**(4)**	**(1,244)**
Depreciation for right-of-use assets	**(49)**	**(2)**	**(21)**	**(72)**
Impairment charge on financial assets	**(25)**	—	—	**(25)**
Provision for compensation	**(35)**	—	—	**(35)**
Fair value losses on financial assets at fair value through profit or loss ("**FVTPL**")	—	—	**(1)**	**(1)**
Fair value losses on financial liabilities at FVTPL	—	—	**(22)**	**(22)**
Share of profits of investments accounted for using equity method	**17**	**2**	—	**19**

	Year ended 31 December 2021			
	Solar power business *RMB'million*	Wind power business *RMB'million*	Others *RMB'million*	Total *RMB'million*
Additions to non-current assets (including property, plant and equipment and right-of-use assets)	799	125	62	986
Depreciation for property, plant and equipment	(748)	(13)	(4)	(765)
Depreciation for right-of-use assets	(29)	—	(4)	(33)
Impairment charge on property, plant and equipment	—	—	(7)	(7)
Impairment charge on financial assets	(49)	—	(16)	(65)
Fair value losses on financial assets at FVTPL	—	—	(3)	(3)
Fair value losses on financial liabilities at FVTPL	—	—	(40)	(40)
(Loss)/gain on disposal of subsidiaries	(8)	—	2	(6)
Share of profits of investments accounted for using equity method	16	—	—	16

(b) Geographical Segments

For the years ended 31 December 2022 and 2021, the major operating entities of the Group are domiciled in the PRC and accordingly, all of the Group's revenue are derived from the operations in the PRC.

Majority of the Group's revenue from external customers were in the PRC.

The Group's non-current assets other than financial instruments and deferred tax assets by geographical area are as follows:

	2022	2021
	RMB'million	*RMB'million*
The PRC	**34,910**	28,341
Australia	**475**	165
Hong Kong	**1**	4
Vietnam	**570**	—
	35,956	28,510

(c) Information About Major Customers

For the Year, there were three (31 December 2021: one) customers which individually contributed over 10% of the Group's total revenue. The revenue contributed from each of these customers was as follows:

	2022	2021
	RMB'million	*RMB'million*
Customer A	**655**	662
Customer B *(Note)*	**493**	—
Customer C *(Note)*	**465**	—

Note: These customers did not contribute over 10% of total revenue of the Group for the year ended 31 December 2021.

4 OTHER INCOME

	2022	2021
	RMB'million	*RMB'million*
Government grant *(Note)*	**2**	—
Operation and maintenance service income	**7**	6
Compensation income	**12**	5
Over-provision of land use tax in prior years	**—**	1
Others	**30**	5
	51	17

Note: Government grants were mainly provided by the government in respect of the Group's effort to facilitate the city development and such grants were unconditional.

5 FAIR VALUE LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022	2021
	RMB'million	*RMB'million*
Unlisted investments	**1**	3

6 FAIR VALUE LOSSES ON FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022	2021
	RMB'million	*RMB'million*
Convertible bonds	**22**	40

7 FINANCE INCOME

	2022	2021
	RMB'million	*RMB'million*
Interest income on bank balances and deposits	**33**	90
Amortisation of imputed interest income on pledged deposits	**5**	38
Interest income upon redemption of senior notes	**—**	1
	38	129

8 FINANCE COSTS

	2022	2021
	RMB'million	*RMB'million*
In relation to bank and other borrowings		
Interest expenses	**1,426**	978
Loan facilities fees	**57**	125
	1,483	1,103
In relation to lease liabilities		
Interest expenses	**31**	7
Total finance costs	**1,514**	1,110

9 INCOME TAX EXPENSE

During the Year, the Group's operations in the PRC are subject to the PRC Corporate Income Tax. The statutory PRC Corporate Income Tax rate is 25%. Certain subsidiaries of renewable energy projects are entitled to preferential tax concession. Income tax on profits assessable outside the PRC has been provided at rates prevailing in the respective jurisdictions (31 December 2021: Same).

10 DIVIDEND

The Board recommends the payment of a final dividend of HK1.00 cent (equivalent to approximately RMB0.88 cent) per ordinary share for the Year (31 December 2021: Nil) to shareholders whose names appear on the register of members of the Company on Wednesday, 5 July 2023, subject to approval by the shareholders at the forthcoming annual general meeting to be held on Tuesday, 27 June 2023.

11 EARNINGS PER SHARE

(a) Basic

Basic earnings per share was calculated by dividing profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue, after adjusting the effect of repurchased shares, during the years ended 31 December 2022 and 2021.

	2022	2021
	Million shares	*Million shares*
Weighted average number of ordinary shares in issue	**22,428**	22,428
	RMB'million	*RMB'million*
Profit		
Profit attributable to the equity holders of the Company	**269**	564
	RMB cents	*RMB cents*
Basic and diluted earnings per share	**1.20**	2.51

(b) Diluted

Diluted earnings per share was calculated based on profit attributable to the equity holders of the Company and by adjusting the weighted average number of ordinary shares outstanding to assume conversion/exercise of all dilutive potential ordinary shares. For the Year, the Group had two (31 December 2021: two) categories of potential ordinary shares including convertible bonds and share options (31 December 2021: convertible bonds and share options).

Convertible bonds were not assumed to be converted because the conversion price and the reset conversion price of the convertible bonds were higher than the average market price of shares for the periods from the date of issue to 31 December 2022 and 2021.

A calculation for the share options had been done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The computation of diluted earnings per share did not assume the exercise of the Company's share options because the exercise price of the share options was higher than the average market price of shares for the years ended 31 December 2022 and 2021.

12 TRADE, BILLS AND TARIFF ADJUSTMENT RECEIVABLES

	2022	2021
	RMB'million	*RMB'million*
Trade receivables	**325**	254
Tariff adjustment receivables	**7,969**	7,287
Trade and tariff adjustment receivables	**8,294**	7,541
Bills receivables	**27**	11
Trade, bills and tariff adjustment receivables	**8,321**	7,552
Less: accumulated impairment	**(25)**	—
	8,296	7,552

As at 31 December 2022, trade receivables of approximately RMB325 million (31 December 2021: approximately RMB254 million) represented receivables from sales of electricity and are usually settled within one to six months.

Tariff adjustment receivables mainly represented the central government subsidies on renewable energy projects to be received from the State Grid and Inner Mongolia Power based on the respective electricity sale and purchase agreements for each of the Group's solar power plants and prevailing nationwide government policies.

Impairment charge of approximately RMB25 million was recognised by the Group during the Year (31 December 2021: Nil) for the tariff adjustment receivables of a solar power plant of the Group located in Inner Mongolia.

The problem of increasing amount of outstanding renewable energy subsidies affects the future development of the renewable energy industry in the PRC. In order to address this issue, in March 2022, the National Development and Reform Commission, the Ministry of Finance and the National Energy Administration issued a joint notice on a national self-examination of the renewable energy projects, focusing on the compliance, scale of installed capacity, volume of electricity generated, FITs, renewable energy subsidies and environmental protection, so as to ascertain the latest factual situation of the outstanding amount of the renewable energy subsidies. The PRC government may cancel the renewable energy subsidies for non-compliant renewable energy projects, thereby reducing the overall financial pressure of the accrued outstanding amount. During the Year, a solar power plant of the Group located in Inner Mongolia was alleged for certain non-compliance issues and the local authorities demanded for a compensation of approximately RMB216 million. The Management considered that the allegation is invalid and without reasonable grounds. In March 2023, the local authorities have agreed with the request of the Management for a further review and the final decision will be announced soon. Accordingly, the Management has made a provision for compensation and impairment charge on tariff adjustment receivables of approximately RMB35 million and RMB25 million for the Year, respectively.

On 6 January 2023, the "Announcement on the Public Announcement of the First Batch of Compliance Projects of Renewable Energy Power Generation Subsidy" (《關於公佈第一批可再生能源發電補貼合規項目清單的公告》) (the "**First Qualified Project List**") was issued. The number of the first batch of verified and confirmed compliance projects exceeded 6,800, among which solar and wind power projects accounted for 87%, including 40 projects with capacity of 1,739MW under the Group's FITs regime, representing 45% of the approved capacity of the Group's projects under the FITs regime. For the remaining 55% projects which are still in the progress of compliance review, the Group has performed an assessment on the compliance with the prevailing rules and regulations, and there is no significant compliance issue being identified.

During the Year, the Group received tariff adjustment subsidies of about RMB1,771 million, which exceeded the expectation of the Directors. The Group expected that new development on the national policy on the outstanding amount of the renewable energy subsidies will be announced, and this development is expected to improve the outstanding situation of subsidies to be received by the Group.

The ageing analysis by invoice date, which approximates revenue recognition date, of trade and tariff adjustment receivables was as follows:

	2022 ***RMB'million***	2021 *RMB'million*
Unbilled *(Note)*	**8,192**	7,402
1–30 days	**70**	99
31–60 days	**5**	7
61–90 days	**4**	—
91–180 days	**12**	—
181–365 days	**1**	—
Over 365 days	**10**	33
	8,294	7,541

Note: The amount represents unbilled trade and tariff adjustment receivables. The aged analysis of the unbilled trade and tariff receivables, which is based on revenue recognition date, are as follows:

	2022 ***RMB'million***	2021 *RMB'million*
1–30 days	**383**	323
31–60 days	**253**	226
61–90 days	**229**	188
91–180 days	**723**	640
181–365 days	**1,377**	1,241
Over 365 days	**5,227**	4,784
	8,192	7,402

13 SHARE CAPITAL

	Number of shares (million)		Share capital	
	2022	2021	**2022**	2021
			RMB'million	*RMB'million*
Ordinary shares of HK$0.1 each				
Authorised				
At 1 January and 31 December	**30,000**	30,000	**2,525**	2,525
Issued and fully paid				
At 1 January and at 31 December	**22,428**	22,428	**1,924**	1,924

During the Year, the Company repurchased its own ordinary shares for a total of approximately 28 million (31 December 2021: Nil) ordinary shares on the Stock Exchange with a total consideration of approximately HK$6 million (approximately RMB6 million) (31 December 2021: Nil).

14 CONVERTIBLE BONDS

On 29 June 2021, the Company issued three-year convertible bonds to independent third parties as follows:

		On inception		
Date of issue	**Principal Amount**	**Interest rate**	**Net proceeds (equivalent to approximately)**	**Financial liabilities at fair value through profit or loss**
	US$'million		*RMB'million*	*RMB'million*
29 June 2021	50	3.8%p.a.	316	316

The bondholders are entitled to convert the bonds into shares credited as fully paid at any time during the conversion period:

(a) at any time on and after the day falling 41 days after the date of issue to the close of business on the date falling 10 days prior to the maturity date (both days inclusive); or

(b) if the bonds have been called for redemption before the maturity date, then up to and including the close of business on date no later than 10 days prior to the date fixed for redemption.

The movements of convertible bonds during the Year are as follows:

	2022	2021
	RMB'million	*RMB'million*
At 1 January	**346**	—
Initial recognition upon issue of convertible bonds	**—**	320
Transaction costs	**—**	(4)
Interest payment	**(13)**	(6)
Subsequent re-measurement fair value loss	**22**	40
Exchange difference	**—**	(4)
At 31 December	**355**	346

15 BANK AND OTHER BORROWINGS

	2022			2021		
	Current portion	**Non-current Portion**	**Total**	Current portion	Non-current portion	Total
	RMB'million	***RMB'million***	***RMB'million***	*RMB'million*	*RMB'million*	*RMB'million*
Bank borrowings	**11,647**	**20,666**	**32,313**	6,142	15,466	21,608
Loans from financial institutions	**2,516**	**8,956**	**11,472**	1,584	8,884	10,468
Other loans	**70**	**100**	**170**	94	105	199
	14,233	**29,722**	**43,955**	7,820	24,455	32,275
Unamortised loan facilities fees	**(28)**	**(137)**	**(165)**	(42)	(194)	(236)
	14,205	**29,585**	**43,790**	7,778	24,261	32,039

16 ACQUISITION OF SUBSIDIARIES

It is the Group's strategy to identify suitable investment opportunity to acquire renewable energy projects with good prospects and potential for stable returns.

(a) Business Combination

During the Year, the Company completed the acquisitions of seven (31 December 2021: thirty-eight) power plants in the PRC from independent third parties through its indirect non wholly-owned subsidiaries. The acquisitions have immediately enabled to supplement the Group's existing renewable power plant portfolio and further expand its scale of business in the renewable energy sector in order to enhance return to the shareholders of the Company.

(b) Acquisitions of Assets

During the Year, the Company acquired the equity interests of certain companies in the PRC and in Vietnam from independent third parties through its indirect wholly-owned subsidiaries. These acquisitions are considered as acquisition of assets as the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets. All these companies have also been consolidated into the consolidated statements of the Group.

The following table summarises the consideration paid, the fair value of identifiable assets acquired, liabilities assumed and the non-controlling interests as at the respective acquisition date:

	2022			2021		
	Business combination *RMB'million*	**Acquisition of assets** *RMB'million*	**Total** *RMB'million*	Business combination *RMB'million*	Acquisition of assets *RMB'million*	Total *RMB'million*
Consideration						
Cash	**1,673**	**354**	**2,027**	2,845	112	2,957
Contingent consideration payables	**—**	**21**	**21**	—	—	—
Total consideration	**1,673**	**375**	**2,048**	2,845	112	2,957
Recognised amounts of fair value of identifiable assets acquired, liabilities assumed and non-controlling interests						
Property, plant and equipment	**3,119**	**2,019**	**5,138**	7,216	5,044	12,260
Right-of-use assets	**75**	**160**	**235**	204	487	691
Value-added tax recoverables, net	**138**	**94**	**232**	440	564	1,004
Trade and tariff adjustment receivables	**775**	**45**	**820**	1,818	110	1,928
Other receivables, deposits and prepayments	**18**	**4**	**22**	337	174	511
Cash and cash equivalents	**100**	**17**	**117**	172	17	189
Restricted cash	**5**	**—**	**5**	—	—	—
Pledged deposits	**26**	**—**	**26**	178	—	178
Other payables and accruals	**(914)**	**(886)**	**(1,800)**	(1,881)	(2,650)	(4,531)
Bank and other borrowings	**(1,681)**	**(969)**	**(2,650)**	(5,300)	(3,201)	(8,501)
Lease liabilities	**(51)**	**(111)**	**(162)**	(23)	(433)	(456)
Deferred tax assets	**7**	**—**	**7**	4	—	4
Deferred tax liabilities	**(131)**	**—**	**(131)**	(138)	—	(138)
Income tax payable	**—**	**—**	**—**	(12)	—	(12)
Total identifiable net assets	**1,486**	**373**	**1,859**	3,015	112	3,127
Non-controlling interests	**—**	**—**	**—**	(10)	—	(10)
Other losses	**—**	**2**	**2**	—	—	—
Bargain purchase gains recognised in the consolidated statement of profit or loss	**(7)**	**—**	**(7)**	(263)	—	(263)
Goodwill recognised in the consolidated statement of financial position	**194**	**—**	**194**	103	—	103
	1,673	**375**	**2,048**	2,845	112	2,957
Net cash inflow/(outflow) arising from the acquisitions						
Offsetting with deposits for investments	**25**	**87**	**112**	—	—	—
Offsetting with other receivables	**—**	**—**	**—**	234	—	234
Other payables (including consideration payables in relation to acquisitions)	**383**	**262**	**645**	388	7	395
Settlements with amounts due from NEX Group	**—**	**—**	**—**	40	—	40
Cash and cash equivalents acquired	**100**	**17**	**117**	172	17	189
Less: cash consideration	**(1,673)**	**(354)**	**(2,027)**	(2,845)	(112)	(2,957)
	(1,165)	**12**	**(1,153)**	(2,011)	(88)	(2,099)

The fair value of the acquired identifiable assets under business combination during the Year was provisional pending receipt of the final valuations of those assets. Deferred tax has been provided in relation to these fair value adjustments. Management performed retrospective review of the fair value of the acquired identifiable assets under business combination during the year ended 31 December 2021 and considered no retrospective adjustment was required.

17 EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

Save as disclosed elsewhere in the consolidated financial statements, the followings are other events after the date of statement of financial position.

(a) On 3 February 2023, Wollar Solar Development Pty Ltd, which is a wholly-owned subsidiary of the Company incorporated in Australia, entered into a supply agreement with an independent third party at a contract price of approximately US$44 million (tax exclusive) for the development of a solar farm in Australia. Please refer to the Company's announcement dated 3 February 2023 for further details.

(b) On 2 March 2023, the Company has successfully registered a publicly-offered infrastructure securities investment fund (the "**Infrastructure Fund**"), which is the first publicly-offered infrastructure securities investment fund in the photovoltaic power sector in the PRC and opened for subscription from 14 March 2023 to 15 March 2023, under the name of AVIC Jingneng Photovoltaic Closed-end Infrastructure Securities Investment Fund* (中航京能光伏封閉式基礎設施證券投資基金) with the China Securities Regulatory Commission (Fund Code: 508096). Upon the registration of the Infrastructure Fund, the Infrastructure Fund is holding the Group's interests in two project companies ("**Project Companies**"), which owns 300MW photovoltaic power generation project in Yulin City, Shaanxi Province, the PRC and owns 100MW photovoltaic power generation project in Hubei Province, the PRC, respectively, as the income-generating infrastructure projects. The Project Companies still remain as indirect non wholly-owned subsidiaries of the Company as the Company is indirectly holding 51% interest in the Infrastructure Fund. The Board considers that the Proposed Spin-Off will provide the Group with funds for its operations and enable the Group to reduce its net borrowings and improve its liquidity and gearing position. Please refer to the Company's announcements dated 8 April 2022, 6 July 2022, 12 August 2022, 30 December 2022 and 13 March 2023 and circular dated 3 October 2022 for further details.

(c) On 4 March 2023, Beijing Yunbao Energy Development Co., Ltd.* (北京雲保能源開發有限公司) ("**BYED**"), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company, entered into the capital increase agreement with Baoshan Energy Development Joint Stock Company Limited* (保山能源發展股份有限公司) (the "**Baoshan Energy**") and other independent third parties, pursuant to which, BYED conditionally agreed to inject RMB960 million into Baoshan Energy by way of cash contribution for approximately 65.7% of the enlarged equity interest in Baoshan Energy (the "**Capital Increase**"). Upon the completion of the Capital Increase, Baoshan Energy will become an indirect non wholly-owned subsidiary of the Company and the Company will in turn acquired the control of the 26 hydropower stations of Baoshan Energy with grid-connected installed capacity of hydropower reached 952MW. The Capital Increase will enable the Group to expand its scale of business in the clean energy projects in Baoshan City, Yunnan Province, increase the Company's clean energy grid-connected installed capacity and enable the Company to achieve scaled operation in clean energy sector. Furthermore, the Capital Increase will diversify the clean energy business of the Group into the hydroelectric sector. The Board is of the view that the Capital Increase is in line with the Company's development plans and will be complementary to the Group's existing clean energy power plant portfolio and enables the Group to further expand its scale of business in the clean energy sector to enhance return to the Shareholders. Further details of the Capital Increase Agreement are described in the Company's announcement dated 21 March 2023.

18 COMPARATIVE FIGURES

Certain comparative figures have been represented to conform to current year's presentation.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2022, the Company repurchased a total of 28,398,000 Shares on the Stock Exchange at an aggregate consideration (before expenses) of HK$6,138,426. All the repurchased Shares were cancelled on 18 January 2023.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance to protect the interests of the Company and the shareholders of the Company as a whole. The Company believes that rigorous standards of corporate governance enhance the sustainability of the Company. To this end, the Company has established and maintained a framework of corporate governance policies and practices to apply the principles of good corporate governance in daily operation. This framework is built upon principles of accountability and integrity.

The Company has applied the principles and code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. During the Year, the Company has complied with all applicable code provisions under the CG Code.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") currently consists of three members, including two independent non-executive Directors, namely Ms. Li Hongwei and Mr. Zhu Jianbiao, and one non-executive Director, namely Mr. Zhao Bing. The Audit Committee is chaired by Ms. Li Hongwei who possesses relevant professional qualification and expertise in financial reporting matters. The Audit Committee acts as an important link between the Board and the Company's auditors. It is responsible for making recommendations to the Board on the appointment and reappointment of the external auditors, and to approve the remuneration and terms of engagement of the external auditors. It is empowered to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. It reviews, makes recommendations and reports to the Board on findings relating to the financial statements, reports and accounts, financial reporting system, internal control procedures and compliance issues. The Audit Committee has reviewed with Management the accounting policies and practices adopted by the Group and discussed internal control, risk management and financial reporting matters including the review of the annual report and audited annual results for the Year before the annual results were submitted to the Board for approval. The audited annual results as set out in this announcement have been reviewed and agreed by the Board (including the independent non-executive Directors) and the Audit Committee.

SCOPE OF WORK OF GRANT THORNTON HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in this announcement have been agreed by the Group's auditor, Grant Thornton Hong Kong Limited, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Grant Thornton Hong Kong 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Grant Thornton Hong Kong Limited on this announcement.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK1.00 cent (equivalent to approximately RMB0.88 cent) per ordinary share for the Year (2021: Nil). The proposed final dividend is expected to be paid on Friday, 21 July 2023 to shareholders whose names appear on the register of members of the Company on Wednesday, 5 July 2023, subject to approval by the shareholders at the forthcoming annual general meeting to be held on Tuesday, 27 June 2023 (the "**2023 AGM**").

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement for attending and voting at the 2023 AGM, the register of members of the Company will be closed from Wednesday, 21 June 2023 to Tuesday, 27 June 2023 (both days inclusive), during which period no transfer of Shares will be registered. In order to be qualified for attending and voting at the 2023 AGM, all transfers of shares accompanied by the relevant share certificates must be lodged at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 20 June 2023.

For the purpose of determining the entitlement for the final dividend, the register of members of the Company will be closed from Monday, 3 July 2023 to Wednesday, 5 July 2023 (both days inclusive), during which period no transfer of Shares will be registered. In order to be qualified for the final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 30 June 2023.

PUBLICATION OF RESULTS ANNOUNCEMENT, ANNUAL REPORT AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This announcement is required to be published on the website of the HKEXnews at http://www.hkexnews.com and on the website of the Company at http://www.bjei.com. The annual report containing all the information required under Appendix 16 to the Listing Rules and the Group's environmental, social and governance report will be published on the websites of the HKEXnews and the Company in due course.

APPRECIATION

The Board would like to take this opportunity to thank every stakeholder of the Group for their contributions to the Group during the Year.

For and on behalf of
Beijing Energy International Holding Co., Ltd.
Zhang Ping
Chairman of the Board

Hong Kong, 30 March 2023

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Ping (Chairman) and Mr. Lu Zhenwei; the non-executive directors of the Company are Mr. Zhao Bing, Mr. Su Yongjian, Mr. Li Hao and Mr. Lu Xiaoyu; and the independent non-executive directors of the Company are Ms. Jin Xinbin, Ms. Li Hongwei and Mr. Zhu Jianbiao.

* *For identification purposes only*