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順風國際清潔能源有限公司

SHUNFENG INTERNATIONAL CLEAN ENERGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01165)

PROFIT WARNING

This announcement is made pursuant to Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform the shareholders and potential investors of the Company that based on the preliminary assessment with reference to the unaudited consolidated management accounts of the Group, it is expected that the Group will record a loss of approximately RMB1,707.0 million for the year ended 31 December 2018, as compared to the loss of approximately RMB834.1 million for the year ended 31 December 2017.

As the Company is still in the process of gathering information to finalise the annual results of the Group for the year ended 31 December 2018, this announcement is made only based on the preliminary assessment with reference to the unaudited consolidated management accounts of the Group which have not been audited or reviewed by the Company's auditors and the information currently available to the Board, and is not based on any information or figures which have been audited or reviewed by the Company's auditors or the audit committee of the Board.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Shunfeng International Clean Energy Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "**SFO**") and Rule 13.09(2)(a) of the Listing Rules.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that based on the preliminary assessment with reference to the unaudited consolidated management accounts of the Group, it is expected that the Group will record a loss of approximately RMB1,707.0 million for the year ended 31 December 2018 (“**Year 2018**”), as compared to the loss of approximately RMB834.1 million for the year ended 31 December 2017 (“**Year 2017**”), which is mainly attributable to the following reasons:

- (i) Although the sales volume of the Group’s solar products increased by approximately 16.8% as compared to the Year 2017, as disclosed in the profit warning announcement of the Company dated 27 August 2018, the competition in the solar product market continued to be intense, which resulted in a decrease of approximately 12.6% in the annual average selling price of the Group’s solar products for the Year 2018 as compared to the Year 2017. In the light of the above and as the sales and gross profit of solar products have yet to show any significant improvement as of the date of this announcement, the Board resolved to recognise a provision for impairment of approximately RMB777.7 million for the property, plant and equipment and the goodwill of the solar products manufacturing segment. The provision for impairment is yet to be confirmed and subject to review, and there was no such provision for impairment in the Year 2017;
- (ii) The distribution and selling expenses of the Group is expected to increase from approximately RMB341.9 million for the Year 2017 to approximately RMB595.3 million for the Year 2018; and
- (iii) According to the five-year profit test of Wuxi Suntech Power Co., Ltd, a wholly-owned subsidiary of the Group, it is expected that sufficient taxable income will not be generated in the foreseeable future. As such, the Group has recognised a reversal of deferred income tax assets, as the deduction is expected to be unable to be realized, of approximately RMB74.2 million in the Year 2018, which led to an increase of approximately RMB74.2 million in the income tax expense for the Year 2018, while there was no such income tax expense arising from similar source in the Year 2017.

The Company is still in the process of gathering information to finalise the annual results of the Group for the year ended 31 December 2018. Therefore, the information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the Year 2018 currently available, and is not based on any information or figures which have been audited or reviewed by the Company’s auditors or the audit committee of the Board. Shareholders and potential investors of the Company are advised to peruse with care the annual results announcement of the Group for the Year 2018, which is expected to be released in March 2019.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

Reference is made to the joint announcement (the “**Joint Announcement**”) of the Company and CAM SPC dated 9 January 2019 in relation to, among other things, the Subscription, the Authorised Share Capital Increase and the Whitewash Waiver (each as defined in the Joint Announcement) and the announcements of the Company dated 30 January 2019 and 28 February 2019 in relation to the delay in despatch of the Circular.

The profit warning included in this announcement (the “**Profit Warning**”) constitutes a profit forecast under Rule 10 of The Code on Takeovers and Mergers of Hong Kong (the “**Takeovers Code**”) issued by the Securities and Futures Commission of Hong Kong and should be reported on by the Company’s financial adviser and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code.

In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code, if the Profit Warning is published first in an announcement, it must be repeated in full, together with the reports from the Company’s financial advisers and auditors or accountants on the said profit forecast, in the next document to be sent to the Shareholders. The Profit Warning will be reported on by the Company’s financial advisers and auditors or accountants as soon as possible in compliance with the Takeovers Code and such reports will be contained in the next document to be issued by the Company to the Shareholders (the “**Shareholders’ Document**”). However, if the annual results for the twelve months ended 31 December 2018 which fall within the ambit of Rule 10.9 of the Takeovers Code have been published by the time of release of the next Shareholders’ Document and the relevant results together with the notes to the financial statements are included in the next Shareholders’ Document, the requirements to report on the Profit Warning under Rule 10.4 of the Takeovers Code will no longer apply.

WARNING:

Shareholders and potential investors of the Company should note that the Profit Warning has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Whitewash Waiver (as defined in the Joint Announcement). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By order of the Board of
Shunfeng International Clean Energy Limited
Zhang Fubo
Chairman

Hong Kong, 18 March 2019

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