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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 RMB330 million for the six months ended 30 June 2017, as compared to the unaudited profit of approximately RMB54 million for the six months ended 30 June 2016.

This profit warning 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 RMB330 million for the six months ended 30 June 2017 (the “**First Half of 2017**”), as compared to the unaudited profit of approximately RMB54 million for the six months ended 30 June 2016 (the “**First Half of 2016**”), and is mainly attributable to the following reasons:

- (i) although the sales volume of the Group’s solar energy products increased by approximately 25% as compared to the First Half of 2016, the competition in the sales market of solar energy products continued to be intense and the average selling price of the Group’s solar energy products dropped by approximately 24.5% as compared to the First Half of 2016, which resulted in a decrease of the Group’s gross profit from approximately RMB991 million (gross profit margin of approximately 22%) in the First Half of 2016 to approximately RMB791 million (gross profit margin of approximately 16%) in the First Half of 2017; and
- (ii) the Group has received continuous support from financial institutions and obtained new loans and financing to develop its solar energy products and power generation business in the First Half of 2017. Further, as the newly constructed solar power plants commenced operation in the First Half of 2017, the Group ceased the capitalization of a portion of interest expenses related to the construction of those solar power plants in the First Half of 2017. As a result, the finance costs of the Group in the First Half of 2017 increased by approximately 51% to RMB687 million as compared to the First Half of 2016.

The Company is still in the process of finalizing the consolidated interim results of the Group for the six months ended 30 June 2017. 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 six months ended 30 June 2017 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 interim results announcement of the Group for the six months ended 30 June 2017, which is expected to be released in August 2017.

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

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

Hong Kong, 31 July 2017

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