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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 a loss of approximately RMB450 million will be recorded for the six months ended 30 June 2020, as compared to the loss of approximately RMB247 million for the six months ended 30 June 2019.

As the Company is still in the process of finalising the unaudited interim results of the Group for the six months ended 30 June 2020, the information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available to the Group and is subject to further review by the Company's auditors or audit committee.

**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 (the “**Board**”) of directors (the “**Directors**”) 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 a loss of approximately RMB450 million will be recorded for the six months ended 30 June 2020 (the “**First Half of 2020**”), as compared to the unaudited loss of approximately RMB247 million for the six months ended 30 June 2019 (the “**First Half of 2019**”), which is mainly attributable to the following reasons:

- (i) Reference is made to the announcement of the Company dated 18 March 2020, the circular of the Company dated 15 June 2020 and the poll results announcement of the Company dated 2 July 2020 in respect of six sale and purchase agreements entered into between Jiangxi Shunfeng Photovoltaic Investment Co. Ltd.\* (江西順風光電投資有限公司) (“**Jiangxi Shunfeng**”, a wholly-owned subsidiary of the Company), Shanghai Shunneng Investment Co., Ltd.\* (上海順能投資有限公司) (“**Shanghai Shunneng**”, a wholly-owned subsidiary of the Company) and Zhejiang Zhengtai New Energy Development Co., Ltd.\* (“**Zhejiang Zhengtai**”), pursuant to which Jiangxi Shunfeng and Shanghai Shunneng have conditionally agreed to sell, and Zhejiang Zhengtai has conditionally agreed to purchase, 100% equity interests of each of Akesu Datang New Energy Co., Ltd.\* (阿克蘇大唐新能源有限公司), Yuepuhu Gaoke New Energy Power Generation Co., Ltd.\* (岳普湖高科新能源發電有限公司), Heshuo Hengxin New Energy Technology Co., Ltd.\* (和碩恒鑫新能源科技有限公司), Tulufan Lianxing New Energy Co., Ltd.\* (吐魯番聯星新能源有限公司), Wensu Riyuehui New Energy Co., Ltd.\* (溫宿縣日月輝新能源有限公司), and Hejing Yixin New Energy Technology Co., Ltd.\* (和靜益鑫新能源科技有限公司) (collectively, the “**Six Target Companies**”) (the “**Very Substantial Disposal**”). The Very Substantial Disposal was duly passed at the extraordinary general meeting held on 2 July 2020. In July 2020, the transfer registration for the 100% equity interests of the Six Target Companies has been completed and it is expected that the completion of the Six Target Companies will take place within twelve months from 30 June 2020. As a result of the above, the Group has recognized an impairment loss of approximately RMB214 million with respect to the Very Substantial Disposal during the First Half of 2020, while there was no such impairment loss recognized during the First Half of 2019; and
- (ii) On 30 September 2019, Shunfeng Photovoltaic Holdings Limited, a direct wholly-owned subsidiary of the Company, completed the disposal of 100% equity interests in Jiangsu Shunfeng Photovoltaic Technology Company Limited\* (江蘇順風光電科技有限公司) (“**Jiangsu Shunfeng**”) to Asia Pacific Resources Development Investment Limited. Jiangsu Shunfeng was engaged in (1) manufacturing and sales of solar products and installation services of photovoltaic systems, (2) plant operations and services and (3) solar power generation in overseas regions (such being collectively classified as discontinued operations), recording a profit of approximately RMB43 million for the First Half of 2019, while there was no such profit recorded for the First Half of 2020 as the disposal of Jiangsu Shunfeng was completed on 30 September 2019.

Reference is made to the Company's announcement dated 30 July 2020 (the "**Announcement**") in relation to the change of its auditor. As disclosed in the Announcement, Deloitte Touche Tohmatsu ("**Deloitte**") resigned as the auditor of the Company and BDO Limited ("**BDO**") was appointed as the new auditor of the Company with effect from 30 July 2020. The Company has been working closely with BDO to assist its review on the accounts of the Group and also finalising and publishing the interim results for the six months ended 30 June 2020 as soon as practicable. As of the date of this announcement, the Company is still in the process of finalising the unaudited interim results of the Group for the six months ended 30 June 2020 with the assistance from BDO. Therefore, the information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available to the Group and is subject to further review by the Company's auditors or audit committee. 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 2020, which is expected to be released by the end of August 2020.

**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**  
**Wang Yu**  
*Chairman*

Hong Kong, 25 August 2020

*As at the date of this announcement, the executive Directors are Mr. Wang Yu, Mr. Zhang Fubo, 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.*

\* *For identification purpose only*