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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 RMB750 million for the year ended 31 December 2021, as compared to the loss of approximately RMB502 million for the year ended 31 December 2020.

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 2021, 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 RMB750 million for the year ended 31 December 2021 (the “**Year 2021**”), as compared to the loss of approximately RMB502 million for the year ended 31 December 2020 (the “**Year 2020**”), which is mainly attributable to the following reasons:

- (i) Reference is made to (i) the announcement dated 24 August 2021, that Jiangxi Shunfeng Photovoltaic Investment Co., Ltd* (江西順風光電投資有限公司) (“**Jiangxi Shunfeng**”), Shanghai Shunneng Investment Co., Ltd* (上海順能投資有限公司) (“**Shanghai Shunneng**”) and Shenzhen Shangde Solar Power Electricity Co., Ltd* (深圳尚德太陽能電力有限公司) entered into seven sale and purchase agreements with China Power Investment Xinjiang Energy Chemical Engineering Group Akesu Co., Ltd* (中電投新疆能源化工集團阿克蘇有限公司) pursuant to which Jiangxi Shunfeng, Shanghai Shunneng and Shenzhen Shangde Solar Power Electricity Co., Ltd agreed to sell 100% of the equity interests in Baoshan Changshan Shunfeng Shangde New Energy Co., Ltd* (保山長山順風尚德新能源有限公司), Shufu County Junxin Technology Photovoltaic Power Generation Co., Ltd* (疏附縣浚鑫科技光伏發電有限公司), Kezhou Baishide New Energy Development Co., Ltd* (克州百事德新能源開發有限公司), Maigaiti Jintan Zhengxin New Energy Technology Co., Ltd* (麥蓋提金壇正信新能源科技有限公司), Wushi Longbai Electricity Investment Co., Ltd* (烏什龍柏電力投資有限公司), Yingjisha County Rongxin Tianhe New Energy Co., Ltd* (英吉沙縣融信天和新能源有限責任公司), and Shufu County Zhongjiancai New Energy Photovoltaic Power Generation Co., Ltd* (疏附縣中建材新能源光伏發電有限公司) at aggregate consideration of RMB537.6 million (the “**2021 First Disposals**”); (ii) the announcement dated 6 October 2021, that Jiangsu Sanfeng Guanghua Investment Co., Ltd* (江蘇三豐光華投資有限公司), Shijiazhuang Huaiyuan New Energy Development Company Limited* (石家莊懷遠新能源開發有限公司) and Hebei Zhenlong Electricity Equipment Technology Co., Ltd* (河北臻龍電力設備科技有限公司) entered into two sale and purchase agreements with Zhonghe Huineng Co., Ltd* (中核匯能有限公司), pursuant to which Jiangsu Sanfeng Guanghua Investment Co., Ltd, Shijiazhuang Huaiyuan New Energy Development Company Limited and Hebei Zhenlong Electricity Equipment Technology Co., Ltd agreed to sell 100% of the equity interest in Hebei Sanlong Electricity Technology Co. Ltd* (河北三龍電力科技有限公司) and Shangyi County Shunneng Photovoltaic Electricity Co., Ltd* (尚義縣順能光伏電力有限公司) at aggregate consideration of RMB414.7 million (the “**2021 Second Disposals**”); (iii) the announcement dated 28 December 2021, that Hebei Juge Photovoltaic Technology Co., Ltd* (河北聚格光電科技有限公司) entered into a sale and purchase agreement with Anhui Province Wanneng Energy Exchange Co., Ltd* (安徽省皖能能源交易有限公司), pursuant to which Hebei Juge Photovoltaic Technology Co., Ltd agreed to sell 100% of the equity interests in Yangyuan Juge Photovoltaic Technology Co., Ltd* (陽原聚格光電科技有限公司) at aggregate consideration of RMB14.4 million (the “**2021 Third Disposal**”); and (iv) the announcement dated 1 December 2021, that Jiangxi Shunfeng received notices from Chongqing International Trust Co., Ltd* (重慶國際信託股份有限公司) and Chongqing Future Investment Co., Ltd* (重慶未來投資有限公司) that they directed Jiangsu Changshun Xinhe New Energy Co., Ltd* (江蘇長順信合新能源有限公司) to sell 100% of the equity interests of its nine subsidiaries, including Hejing Tianhong Solar Energy Technology Co., Ltd* (和靜天宏陽光太陽能科技有限公司), Hejing Zhengxin Photovoltaic Electronics Co., Ltd* (和靜正信光伏電子有限公司), Yanqi ENN Solar Energy Co., Ltd* (焉耆新奧太陽能有限公司), Jinghe County Hairun PV

Power Co., Ltd* (精河縣海潤光伏發電有限公司), Yuli Jiangyin Jun Xin PV Power Co., Ltd* (尉犁縣江陰浚鑫光伏發電有限公司), Suntech (Ulan) Solar Power Co., Ltd* (尚德(烏蘭)太陽能發電有限公司), Turpan City Hai Xin PV Power Co., Ltd* (吐魯番市海鑫光伏發電有限公司), Hebei Sulong PV Power Co. Ltd* (河北蘇龍光伏發電有限公司) and Tumxuk Hidenobu New Energy Co., Ltd* (圖木舒克市榮信新能源有限公司) (together, the “**Forced Sale Subject Companies**”) at a consideration of approximately RMB1.11 billion (the “**Forced Sale**”). The Group has recognized losses on disposals of approximately RMB375 million in relation to the 2021 First Disposals, the 2021 Second Disposals, the 2021 Third Disposal and Forced Sale for the Year 2021, while such losses on disposals recognized was approximately RMB332 million for the Year 2020.

- (ii) The Group’s gross profit decreased by RMB151 million, or 34%, from approximately RMB448 million for the Year 2020 to approximately RMB297 million for the Year 2021, primarily due to the following: (i) reference is made to the announcement dated 26 November 2019, that Jiangxi Shunfeng, Shanghai Shunneng and Shijiazhuang Yakai New Energy Development Ltd* (石家莊亞凱新能源開發有限公司) entered into 11 sale and purchase agreements with Zhonghe Shandong Energy Co., Ltd.* (中核山東能源有限公司), pursuant to which the vendors agreed to sell 100% of the equity interest in Hami Hengxin New Energy Technology Co., Ltd* (哈密恒鑫新能源科技有限公司), Hami Junxin Photovoltaic Power Generation Co., Ltd* (哈密浚鑫光伏發電有限公司), Hami Tianhong Solar Power Technology Co., Ltd* (哈密天宏陽光太陽能科技有限公司), Hami Yixin New Energy Technology Co., Ltd* (哈密益鑫新能源科技有限公司), Hebei Guowei New Energy Technology Co., Ltd* (河北國威新能源科技有限公司), Jinchang Zhongke New Energy Co., Ltd* (金昌市中科新能源有限公司), Pingluo Zhongdianke Energy Co., Ltd* (平羅中電科能源有限公司), Shangde (Hami) Solar Power Generation Co., Ltd* (尚德(哈密)太陽能發電有限公司), Sunan Yugur Autonomous County Zhongneng Changyeyuan Co., Ltd* (肅南裕固族自治縣中能產業園有限公司), Wuwei Huadong Zhonghe New Energy Co., Ltd* (武威華東眾合新能源有限公司), and Wuwei Jiuyuan Metal Components Co., Ltd* (武威久源金屬構件有限公司) (together, the “**2019 Disposals Subject Companies**”) at aggregate consideration of RMB641,420,000 (the “**2019 Disposals**”). The revenue from the 2019 Disposals Subject Companies was recognized for a few months during the Year 2020 upon the registration of share transfer of the 2019 Disposals Subject Companies had been completed, while no such revenue was recognized during the Year 2021 and (ii) reference is made to the announcement dated 18 March 2020, that Jiangxi Shunfeng and Shanghai Shunneng entered into 6 sale and purchase agreements with Zhejiang Zhengtai New Energy Development Co., Ltd* (浙江正泰新能源開發有限公司) on 16 March 2020, pursuant to which Jiangxi Shunfeng and Shanghai Shunneng agreed to sell 100% of the equity interest in 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) (together, the “**2020 Disposals Subject Companies**”) at an aggregate consideration of RMB181,139,954.86 (the “**2020 Disposals**”). The revenue from the 2020 Disposals Subject Companies was recognized for six months during the Year 2020 upon the registration of share transfer of the 2020 Disposals Subject companies had been completed, while no such revenue was recognized during the Year 2021.

- (iii) The Group recorded a gain from waiver of engineering, procurement and construction payables of approximately RMB123 million for the Year 2020, while no such gain is expected to be recorded for the Year 2021.
- (iv) Despite the above reasons leading the loss for the Year 2021, the Group recorded finance costs decreased by approximately RMB184 million, or 24%, from approximately RMB777 million for the Year 2020 to approximately RMB593 million for the Year 2021, which is expected to partially offset the loss for the Year 2021 as compared to the loss for the Year 2020.

The Company is still in the process of gathering information to finalise the annual results of the Group for the year ended 31 December 2021. 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 2021 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 unaudited annual results announcement of the Group for the Year 2021, which is expected to be released by the end of March 2022.

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 of
Shunfeng International Clean Energy Limited
Wang Yu
Chairman

Hong Kong, 25 March 2022

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*