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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 the 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 RMB200 million for the six months ended 30 June 2022, as compared to the loss of approximately RMB38.9 million for the six months ended 30 June 2021.

As the Company is still in the process of gathering information to finalise the unaudited interim results of the Group for the six months ended 30 June 2022, 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 auditor 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 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 RMB200 million for the six months ended 30 June 2022 (the “**First Half of 2022**”), as compared to the loss of approximately RMB38.9 million for the six months ended 30 June 2021 (the “**First Half of 2021**”), which is mainly attributable to the following reasons:

- (i) the Group is expected to record a net loss of the other gains and losses approximately RMB118 million for the First Half of 2022, while a net gain of the other gains and losses approximately RMB9.3 million was recorded for the First Half of 2021, which was primarily due to a net foreign exchange gain of approximately RMB26.9 million for the First Half of 2021, while a net foreign exchange loss of approximately RMB110 million for the First Half of 2022;
- (ii) the gross profit of the Group is expected to decrease by approximately RMB69 million, or 38%, from approximately RMB180 million for the First Half of 2021 to approximately RMB111 million for the First Half of 2022;
- (iii) the Group recorded a profit of approximately RMB80.5 million from a segment of manufacturing and sales of LED products (the “**LED Segment**”) for the First Half of 2021, while no such profit is expected to record for the First Half of 2022 due to the disposal of LED Segment was completed in September 2021; and
- (iv) despite the above reasons leading the loss for the First Half of 2022, the Group is expected to record (i) finance costs decreased by approximately RMB71 million, or 24%, from approximately RMB290 million for the First Half of 2021 to approximately RMB219 million for the First Half of 2022; and (ii) a net of reversal of impairment losses under expected credit loss model increased by RMB61 million, or 2,033%, from approximately RMB3 million for the First Half of 2021 to approximately RMB64 million for the First Half of 2022. Both are expected to partially offset the loss for the First Half of 2022.

The Company is still in the process of gathering information to finalise the unaudited interim results of the Group for the First Half of 2022. 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 auditor 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 First Half of 2022, which is expected to be released by the end of August 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, 22 August 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.*