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China New Energy Limited

(Incorporated in Jersey, Channel Islands with limited liability and carrying on business in Hong Kong as “Zhongke Tianyuan New Energy Limited”)
(Stock Code: 1156)

PROFIT WARNING

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

The board of directors (the “**Board**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 and other information currently available, the Group is expected to record a net profit after taxation of approximately RMB7.8 million for the year ended 31 December 2021 as compared to a net profit after taxation of approximately RMB44.4 million for the year ended 31 December 2020.

The substantial decrease in the net profit for the year ended 31 December 2021 was mainly due to the decrease in revenue and gross profit margin. During the year, our domestic economy was still adversely affected by the spread of COVID-19 and hence we had to lower our contract prices and margins in order to acquire new contracts. Moreover, willingness amongst industrial parties to increase capacities and construct new plants was very low and this limited our chances of securing new business contracts. At the same time, several potential projects in Africa and Southeast Asia have been put on hold while we were unable to conduct effective marketing activities to pursue more overseas business opportunities.

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2021, the information contained in this announcement is only a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 and other information currently available to the Board, which have not been confirmed, reviewed or audited by the auditor of the Company or reviewed by the audit committee of the Company. Therefore, the actual results of the Group may be subject to further amendments and adjustments where necessary.

The audited annual results announcement of the Group for the year ended 31 December 2021 is expected to be published by mid of June 2022.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice. The Company will publish further announcement(s) to keep the Company's shareholders and potential investors informed of the status and development of the Company as and when appropriate, as well as announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

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
China New Energy Limited
Yu Weijun
Chairman

Hong Kong, 9 June 2022

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Yu Weijun (Chairman) and Mr. Tang Zhaoxing (Chief Executive Officer); and three independent non-executive directors, namely Mr. Richard Antony Bennett, Mr. Chan Shing Fat Heron and Mr. Chan Siu Shan Sam.