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## **CHINA HUARONG ENERGY COMPANY LIMITED**

### **中國華榮能源股份有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01101)**

## **PROFIT WARNING**

This announcement is made by China Huarong Energy Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**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 of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the currently available information to the Board, it is expected that the Group will record a loss attributable to equity holders of the Company of no more than RMB180.0 million for the year ended 31 December 2021 (the “**Year**”), as compared with the profit attributable to the equity holders of the Company of approximately RMB782.6 million for the year ended 31 December 2020 (the “**Comparative Year**”).

The loss for the Year was primarily attributable to the additional interest accrued on the provision for Relevant Guarantee contracts.

The profit attributable to the equity holders of the Company of approximately RMB782.6 million for the Comparative Year was mainly attributable to the reverse of the provision for the Relevant Guarantee contracts amounting to RMB2,000.0 million. There was no Relevant Guarantee released or discharged during the Year, which was mainly driven by the complex internal process of the relevant banks, therefore the progress of the discharge of the Relevant Guarantee during the Year was longer than anticipated.

The Company is still in the process of finalizing its the consolidated financial information of the Group for the Year, the information contained in this announcement is only based on the preliminary assessment by the Company’s management according to the unaudited management accounts of the Group for the Year, which have not yet been confirmed by the auditor and the audit committee of the Company. Shareholders and potential investors should read the annual results announcement of the Group for the Year, which will be published 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  
**China Huarong Energy Company Limited**  
**CHEN Qiang**  
*Chairman*

Hong Kong, 9 March 2022

*As at the date of this announcement, the directors of the Company are:*

*Executive directors:*

*Mr. CHEN Qiang (Chairman), Mr. HONG Liang, Ms. ZHU Wen Hua and Mr. NIU Jianmin.*

*Independent non-executive directors:*

*Mr. WANG Jin Lian, Ms. ZHOU Zhan and Mr. LAM Cheung Mau.*