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**國電科技環保集團股份有限公司**

**GUODIAN TECHNOLOGY & ENVIRONMENT GROUP CORPORATION LIMITED\***

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 01296)**

## **PROFIT WARNING**

This announcement is made by Guodian Technology & Environment Group Corporation Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company wishes to inform the shareholders and potential investors of the Company that based on a preliminary review of the unaudited and unreviewed consolidated management accounts of the Group for the year ended 31 December 2021, the management’s preliminary assessment of the management accounts of the Group for the year ended 31 December 2021 and the information currently available to the Company, the Group is expected to record a loss before taxation ranging from approximately RMB950 million to RMB1,250 million for the year ended 31 December 2021, as compared to a profit before taxation of approximately RMB204.94 million for the year ended 31 December 2020.

Based on the information currently available to the Group, the expected decrease in profit of the Group for the year ended 31 December 2021 was mainly due to:

- i) the “rush of installation tide” in wind power industry subsided which led to the significant decrease in the revenue and gross profit of the Group’s wind power products and services segment. The disposal of Guodian United Power Technology Co., Ltd.\* (國電聯合動力技術有限公司) has been completed, and it ceased to be a subsidiary of the Company;

- ii) the slowdown in the growth of installed capacity of coal-fired power generation in China, and the decrease in demand for new construction or renovation of thermal power environmental protection facilities, resulting in a decrease in the gross profit of the Group’s environmental protection segment; and
- iii) the “rush of installation tide” in energy conservation solutions industry subsided and the significant increase in the prices of raw materials and equipment which led to decrease in the gross profit generated from the general contracting business of power station construction of the Group’s energy conservation solutions segment.

As the Company is in the process of preparing the final results of the Group for the year ended 31 December 2021 (the “**2021 Final Results**”), information contained in this announcement is solely based on the preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 which have neither been audited nor been reviewed by the Company’s auditors. Further details of the financial information of the Group will be disclosed in the final results announcement of the Company, which is expected to be published before the end of March 2022.

## **TAKEOVERS CODE IMPLICATIONS**

Reference is made to the joint announcement dated 24 January 2022 issued by the Company and Beijing Chunhui Qingyun Technological and Environmental Corporation Limited\* (北京春暉青雲科技環保有限公司) (the “**Offeror**”), in relation to, among others, the proposed privatisation of the Company by the Offeror by way of merger by absorption (the “**Merger**”). Pursuant to Rule 10 of The Code on Takeovers and Mergers of Hong Kong (the “**Takeovers Code**”) issued by the Securities and Futures Commission of Hong Kong, the profit warning statement in respect of the unaudited 2021 Final Results (the “**Profit Warning Statement**”) constitutes a profit forecast of the Company and is required to be reported on by the Company’s financial advisers and its auditors in accordance with Rule 10.4 of the Takeovers Code.

In view of the requirements of timely disclosure of inside information under Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules), the Company is required to issue this announcement as soon as practicable. Therefore, given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

Pursuant to Rule 10.4 and Practice Note 2 of the Takeovers Code, if a profit warning statement for the purpose of Rule 10 of the Takeovers Code is published first in an announcement, it must be repeated in full, together with the reports from the issuer's independent financial advisers and auditors on such profit warning statement, in the next document to be sent to the shareholders (the "**Shareholders' Document**"). However, if the 2021 Final Results which fall within the ambit of Rule 10.9 of the Takeovers Code are published prior to the despatch of the next Shareholders' Document and the 2021 Final Results together with the notes to the financial statements are included by reference in the next Shareholders' Document, the requirement under Rule 10 of the Takeovers Code to report on the Profit Warning Statement under Rule 10.4 of the Takeovers code will no longer apply.

Shareholders and potential investors of the Company should note that the Profit Warning Statement does not meet the standard required by Rule 10 of the Takeovers Code, and has not been reported on in accordance with the requirements of the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution when placing reliance on the Profit Warning Statement in assessing the merits and demerits of the Merger (which may or may not materialize) and when dealing in the securities of the Company. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

By order of the Board  
**Guodian Technology & Environment Group Corporation Limited\***  
**Mr. CHEN Dongqing**  
*Chairman*

Beijing, PRC, 9 March 2022

*As at the date of this announcement, the executive directors of the Company are Mr. Chen Dongqing and Mr. Li Caiyun; the non-executive directors are Mr. Song Chang, Mr. Jiang Jianwu, Mr. Zhang Wenjian, Mr. Gu Yuchun and Ms. Ge Xiaojing; and the independent non-executive directors are Mr. Shen Xiaoliu, Mr. Qu Jiuhui, Mr. Xie Qiuye and Mr. Yeung Chi Tat.*

*All directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.*

\* *For identification purposes only*